



U.S. Securities and Exchange Commission

Speech by SEC Staff: Opening Remarks at the SEC Open Meeting

by

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Thank you. The Office of the Chief Accountant and the Division of Corporation Finance recommend that you publish for public comment a Concept Release to elicit the public's interest in allowing U.S. issuers to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") for purposes of complying with the rules and regulations of the Commission. The purpose of the Concept Release is to seek information about the potential effects that any such change may have on investors, issuers and market participants as well as the accounting profession generally.

The Concept Release describes the Commission's past consideration with respect to reducing disparity between the accounting and disclosure practices of the United States and other countries as a means to facilitate cross-border capital formation while providing adequate disclosure for the protection of investors and the promotion of fair, orderly and efficient markets. Accounting standard setters have been encouraged to do the same as demonstrated by the Financial Accounting Standards Board ("FASB") and the IASB being committed for the last several years to the convergence of U.S. GAAP and IFRS.

The Concept Release includes questions about whether the Commission should allow U.S. issuers including investment companies to prepare financial statements in accordance with IFRS as published by the IASB, including the anticipated effects on the U.S. public capital market of doing so and not doing so.

If the Commission were to allow U.S. issuers to file financial statements prepared using either IFRS as published by the IASB or U.S. GAAP, there

would be implementation matters. For example, the Concept Release includes questions about the need for education in IFRS for financial statement users. We also are interested in the issues that would be encountered by U.S. issuers and auditors in the application of IFRS in practice and existing Commission requirements. Additionally, we are interested in what issuers believe the cost of converting from U.S. GAAP to IFRS would be.

We are recommending that this Concept Release be open to public comment for a period of 90 days after its publication in the Federal Register. Thank you. We are prepared to answer any questions you may have.

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