

News Release

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PRIVATE COMPANIES POSITIVE ON IFRS IN A NEW DELOITTE POLL

Forty Percent Ready to Take Action Steps as Soon as IASB Project Is Completed

NEW YORK, Feb. 19, 2009 — While the Securities and Exchange Commission contemplates use of International Financial Reporting Standards (IFRS) for U.S. public companies, a new Deloitte poll suggests that a significant number of private companies have interest in having a single set of globally accepted financial reporting standards.

More than 40 percent of 1,700 finance professionals, mostly from private companies, responded to a set of polling questions during a Deloitte webcast by stating that their companies would take positive action when the International Accounting Standards Board (IASB) completed its project on private entity reporting. Almost 14 percent said they will consider adopting IASB's new standard in the near term, while 26 percent reported they will assess the costs and benefits of adoption.

The IASB project, expected to be completed later this year, is expected to be a simplified roughly 250-page tailored version of full IFRS. While approximately 12,000 U.S. public companies await the SEC's final decision on adopting IFRS, there are even more private companies in the U.S. that could look to adopt either full IFRS or the IASB standards for private entities.

"The interest in the IASB's private entity project is more than we had thought," said D.J. Gannon, partner, Deloitte & Touche LLP and national leadership partner — IFRS Solutions Center. "It indicates that U.S. private companies are responsive to having standards geared specifically toward their needs, which may be different from that of public companies."

Respondents confirmed Gannon's analysis via their answers to the question of what aspects of the IASB's project are most attractive. Nearly 85 percent found something appealing about the project, including more than 33 percent that liked having a simplified, self-contained set of accounting standards that are appropriate for private entities. Close to 30 percent believed these standards will reduce their financial reporting burden, and just over 21 percent cited better comparability for users of private company financial information.

“As we continue to discuss larger issues around financial reporting, it’s important that we recognize the needs of small businesses and the users of their financial information,” said Gannon. “The IASB’s project on private entity reporting could go a long way toward addressing many of these needs by providing an easier, more user-friendly set of standards that have the potential to help companies reduce costs, while at the same time provide better information and more transparency to users of private company financial information.”

The Deloitte webcast, “International Financial Reporting Standards: Why Private Companies Should Take Note,” can be replayed at <http://www.deloitte.com/us/pcwebcast128> Please call Daniel Mucisko to arrange an interview with D.J. Gannon to discuss IFRS and the IASB project on private entity reporting.

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