

**ASIC**

Australian Securities & Investments Commission

Media and information releases**05-118 ASIC welcomes moves to eliminate reconciliation requirement for companies applying IFRS***Monday 9 May 2005*

Mr Jeffrey Lucy, Chairman of the Australian Securities and Investments Commission (ASIC) has welcomed the outcome of recent discussions between the United States (US) Securities Exchange Commission (SEC) and the European Union (EU) Commission on a 'roadmap' toward equivalence between International Financial Reporting Standards (IFRS) and US Generally Accepted Accounting Principles (GAAP).

The roadmap outlines the issues that the SEC sees as necessary to eliminate the requirement for foreign issuers using IFRS to reconcile to US GAAP in their financial reports filed with the SEC. The SEC roadmap indicates that the elimination of the reconciliation requirement could possibly be as soon as 2007, but no later than 2009.

'This announcement is significant for Australia and further supports the decision by Australia to move to IFRS as the basis for Australian accounting standards', Mr Lucy said.

'Any decision by the SEC to eliminate the reconciliation requirement for companies applying IFRS will apply to Australian companies that are US foreign issuers. It will also encourage US investment in the Australian capital market and facilitate Australian companies access to US finance if IFRS and US GAAP financial reports are determined to be convergent and provide comparable high quality financial reporting.

'Australia has been a leader in the adoption of IFRS and actively participated in the process to have IFRS accepted as a set of accounting standards that could be globally accepted.

'We have been monitoring the activities of the IASB and the US FASB project to eliminate differences between IFRS and US GAAP. The SEC roadmap is useful in understanding the US regulator's views on how they will address the process of evaluating whether to remove the reconciliation', Mr Lucy said.

End of release

[More information about implementing IFRS in Australia](#)

Date Printed **13 May 2005**, © Australian Securities & Investments Commission

www.asic.gov.au