



International Accounting Standards
Committee Foundation

Press Release

9 October 2008

Trustees support IASB's accelerated steps on the credit crisis

At their meeting in Beijing today, the Trustees of the IASC Foundation announced their unanimous support for the approach that the International Accounting Standards Board (IASB) laid out last Friday to accelerate its response to the credit crisis. Under this approach, the IASB will seek appropriate language to eliminate any differences in how International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP) address the issue of reclassification of financial instruments. The Trustees support the IASB's intention to complete this work by the end of next week.

The Trustees, as the IASB's oversight body, have agreed that the IASB can suspend its normal due process. This will permit any IASB decision on reclassification made next week to take effect for the third quarter.

The Trustees support the IASB's plans and its announced intention to work speedily with the US Financial Accounting Standards Board (FASB) to ensure that their guidance is equivalent and therefore has the same effect across borders. The objective would be to create a level playing field for those companies applying IFRSs and those using US GAAP. Such a position would be in line with and supportive of the statements of European leaders, and finance ministers through the ECOFIN Council, to ensure that 'European financial institutions are not disadvantaged vis-à-vis their international competitors in terms of accounting rules and of their interpretation.' The Trustees are concerned that any moves to go now beyond the positions taken by European leaders and the finance ministers in the ECOFIN Council in this respect would result in the creation of a new unlevel playing field.

In reaching this common view, the Trustees emphasised that they do not and would not take positions on the specific technical content of IFRSs; the Trustees therefore reaffirmed their commitment to preserving the independence of the IASB's standard-setting process. With more than 100 countries now using IFRSs, the Trustees highlighted the fact that any weakening of the IASB's independence would be likely to reduce transparency, potentially

lead to a weakening of standards worldwide, and would ultimately undermine investor confidence at a fragile time for the world's markets.

Commenting on the Trustees' unanimous position, Gerrit Zalm, Chairman of the Trustees and former deputy prime minister and finance minister of the Netherlands, said:

The Trustees, as the IASB's oversight body, recognise, as does the IASB, the urgency of the situation facing the world's financial markets. We support the IASB in suspending the normal due process to take action in these present extraordinary circumstances. The goal must be to ensure that a fair and transparent level playing field related to financial reporting exists globally. We strongly believe that the IASB, as the independent standard-setter for more than 100 countries, is best placed to address financial reporting concerns in a manner that will improve confidence in the markets.

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NOTE TO EDITORS

About the IASC Foundation

1. The International Accounting Standards Committee (IASC) Foundation, based in London, is the oversight body of the International Accounting Standards Board (IASB). The governance of the organisation rests with 22 Trustees. Six of the Trustees must be selected from the Asia/Oceania region, six from Europe, six from North America, and four from any region. A complete list of Trustees is attached to the press release.
2. The IASC Foundation, through the IASB, is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements. The IASC Foundation is funded by contributions from the major accounting firms, private financial institutions and industrial companies throughout the world, central and development banks, and other international and professional organisations.
3. The IASB press statement of 3 October can be found at www.iasb.org/News/Press+Releases/IASB+announces+next+steps+in+response+to+c+redit+crisis.htm.
4. The leaders of France, Germany, Italy and the United Kingdom; the president of the European Central Bank; the president of the European Commission; and the

managing director of the International Monetary Fund met on Saturday 4 October to discuss issues related to the credit crisis. The quotation related to European leaders cited in the press release was taken from a joint statement issued following that meeting. The joint statement can be found at www.ambafrance-uk.org/International-financial-situation.html. The statement from the ECOFIN Council that addressed similar issues can be found at www.eu2008.fr/PFUE/lang/en/accueil/PFUE-10_2008/PFUE-07.10.2008/ECOFIN_results

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