



International Accounting Standards Committee®

Press Release

For immediate release

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IOSCO ENDORSES IASC'S CORE STANDARDS

IASC welcomes the decision announced today by the Presidents Committee of IOSCO that it recommends that IOSCO members permit incoming multinational issuers to use the IASC core standards to prepare their financial statements for cross-border offerings and listings.

Stig Enevoldsen, Chairman of IASC, said: "I am delighted at this decision. This is a landmark for improved global financial reporting and benefits both users and preparers in global capital markets. It is also a significant step in IASC's efforts to bring about convergence to high quality global accounting standards. Completion of the core standards, on which IOSCO's assessment was based, has involved a great deal of work for IASC's Board members and staff and also for IOSCO, particularly the members of IOSCO's Working Party No. 1. I am pleased to see this hard work culminate in a successful conclusion. IASC thanks all of the IOSCO participants for their contribution to this work. The collaboration between IOSCO and IASC, as we have worked to complete the core standards, has been vital to the outcome and IASC looks forward to continuing this relationship in the future."

Sir Bryan Carsberg, Secretary General of IASC, said: "The IOSCO resolution envisages that some national and regional administrations may call for the provision of additional information when financial statements are prepared using International Accounting Standards and may specify the use of one particular method in those few cases where IASC allows a choice. IAS are already accepted in most countries of the world, at least for cross-border listings, without provision of extra information, and we expect that situation to continue. The United States currently accepts statements prepared in accordance with IAS provided that an almost full reconciliation of IAS results to US GAAP is also given. The SEC is undertaking its due processes to decide what its requirements should be for future filings in the United States. The IOSCO resolution, in referring to the possibility that national administrations will require 'reconciliation of certain items' appears to offer the

prospect of a major step forward for foreign filers in the United States in that further significant progress can be made in reducing the extra information required in connection with such filings.”

Sir Bryan Carsberg continued, “IASC will study the detailed report of the IOSCO Technical Committee on its assessment of the core standards and consider the opportunities for further harmonisation of its standards with those of leading national standard setters.”

ENDS.

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Notes for Editors

1. In 1995, IASC agreed with IOSCO that IASC would develop a set of “core standards”, as identified in a work plan developed by the IASC Board. IOSCO agreed that it would consider endorsing International Accounting Standards for cross-border capital raising and listing purposes in all global markets, if the core standards were successfully completed. IASC completed the core standards in 1999, with the exception of a small project on Investment Property that was completed in March 2000.

2. Along with other commentators, IOSCO has commented to IASC on each project as it progressed. IOSCO has now completed its assessment the core standards and announced a recommendation to its members to allow multinational issuers to use 30 IASC standards, as supplemented by reconciliation, disclosure and interpretation where necessary to address outstanding substantive issues at a national or regional level. IOSCO’s assessment of 30 Standards addressed all IASC Standards and Interpretations which must be applied by an enterprise which presents financial statements in accordance with IAS except for:
 - IAS 15, Information Reflecting the Effects of Changing Prices, which is not mandatory;
 - IAS 26, Accounting and Reporting by Retirement Benefit Plans and IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, which have more limited application to specific types of enterprises; and
 - IAS 40, Investment Property, which has recently been issued.