



International Accounting Standards Committee®

Press Release

For Immediate Release

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IASC TRUSTEES ANNOUNCE NEW STANDARD-SETTING BOARD TO REACH GOAL OF GLOBAL ACCOUNTING STANDARDS

The International Accounting Standards Committee ("IASC") announces the appointment of the new International Accounting Standards Board ("IASB"). It is that new Board of experienced accounting professionals that will have the responsibility of working toward a single set of high quality accounting standards that national bodies around the world can broadly support.

The successful development of and convergence toward high-quality internationally accepted accounting standards will provide direct benefits to auditors, users, preparers and regulators of financial information and statements. More generally, the availability of common and more reliable financial data should facilitate international investment and reduce the cost of capital worldwide. Accounting costs for multinational firms operating in different jurisdictions will be reduced with the narrowing and eventual elimination of national differences. Regulators will benefit from the greater consistency and quality of information.

The IASC, chaired by former U.S. Federal Reserve Chairman Paul A. Volcker, is a 19-member oversight body, representing six continents and 14 different countries. The IASC Trustees were appointed in May 2000 by a Nominating Committee composed of leading policy-makers throughout the world and chaired by Arthur Levitt, U.S. Securities and Exchange Commission Chairman. The selection of the standards-making Board marks the completion of one of the major tasks of the Trustees.

The Trustees reviewed over 200 candidates for Board positions. The IASC Constitution mandated that Board comprise individuals who represent "the best available combination of technical skills and experience of relevant business and market conditions."

Mr. Volcker emphasized, “The Board has been selected on the basis of experience and high professional qualifications. The Trustees were extremely pleased with the exceptional quality of candidates and believe that the Board truly reflects the best in the field. The decision was reached unanimously, demonstrating the Trustees’ conviction. This group is exceptionally well qualified to ensure we reach the goal of globally accepted standards. The result should bring highly significant economic benefits to both the developed and emerging economies.”

In accordance with the new IASC Constitution, the IASC Trustees appointed twelve of the members to full-time positions, including the Chairman and Vice Chairman, and two to part-time positions. The Board will be led by Sir David Tweedie, whose prospective appointment was announced earlier. Mr. Volcker, on behalf of all of the Trustees, expressed his delight with the willingness of Sir David to accept this responsibility and the warm reception that his appointment has received among interested parties.

In order to encourage cooperation among the new Board and national standard-setters, the Trustees appointed seven of the Board members as official liaisons to national bodies. These liaison Board members will maintain close contact with their respective national standard-setters and will be responsible for coordinating agendas and ensuring that the new IASB and national bodies are working toward the goal of convergence on a single set of high quality standards around the world. Countries with formal liaisons are Australia and New Zealand together, Canada, France, Germany, Japan, the United States, and the United Kingdom. In addition, Board members will have frequent contacts with financial regulators and central banks, private industry, analysts, and academics throughout the world.

Sir David Tweedie, the Chairman of the IASB, remarked, “The mission of the newly-created IASB is simple. In partnership with national standard setters, we will aim to increase the transparency of financial reporting by achieving a single, global method of accounting for transactions – whether in Stuttgart, Sydney, Seattle or Singapore. The potential benefit to the world economy by removing barriers to investment through applying uniform, high-quality standards is enormous. The fact that such eminent professionals are prepared to resign from senior positions in successful careers to back the project is extremely positive. I am delighted to have them as colleagues.”

The Trustees have also emphasized their commitment to achieving a broad and representative balance of perspectives, both professionally and geographically, through the creation of a Standards Advisory Council. The Trustees are currently advertising worldwide for suitable candidates. The Advisory Council will meet regularly with the IASB to advise the Board on priorities and to inform the Board of implications of proposed standards for users and producers of financial accounts.

Chairman Volcker stated, “The Advisory Council must represent the diverse interests involved in the standard-setting process to ensure that the result is usable and relevant information. The new Advisory Council will be a key vehicle for obtaining advice and fresh thinking.”

The new Board is expected to meet for the first time in April 2001. The names of the Board’s members and brief biographies are attached.

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Full biographies of the IASB members can be viewed at <http://www.iasc.org.uk>.

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Brief Biographical Information on IASB Members

Sir David Tweedie, Chairman

Sir David Tweedie served as the first full-time Chairman of the U.K. Accounting Standards Board, with a term from 1990-2000. Before assuming the Chairmanship of the U.K. Board, Sir David was national technical partner for KPMG and has served as a professor of accounting in his native Scotland. He has worked on international standards setting issues both as the first Chairman of the G4+1, a cooperative group among leading standard setters, and as a member of the previous IASC Board.

Thomas E. Jones, Vice Chairman

As the former Principal Financial Officer of Citicorp and Chairman of the IASC Board, Tom Jones brings extensive experience in standard setting and the preparation of financial accounts for financial institutions. A British citizen, Mr. Jones has worked principally in Belgium, Italy, France, and the United States throughout his professional career.

Mary E. Barth

As a part-time Board member, Mary Barth, an American citizen, will retain her position as a Professor of Accounting at the Graduate School of Business at Stanford University. Among the academic community, she is widely known and has won national awards both as an educator and for her body of scholarly work. Before entering academia, Prof. Barth was a partner at Arthur Andersen.

Hans-Georg Bruns – Liaison to German Standard Setter

Hans-Georg Bruns has served as the Chief Accounting Officer for DaimlerChrysler and has been head of a principal working group of his home country's German Accounting Standards Committee. In his role at Daimler-Benz and now DaimlerChrysler, Dr. Bruns was in charge of the task force listing Daimler-Benz on the New York Stock Exchange and was responsible for the accounting issues related to the DaimlerChrysler merger.

Anthony T. Cope

Tony Cope joined the U.S. Financial Accounting Standards Board in 1993. Prior to that engagement, Mr. Cope, a British citizen, worked as a financial analyst in the United States for

30 years, ultimately becoming Director of Fixed Income Research, Wellington Management Co in Boston. Mr. Cope, as a member of the IASC Strategy Working Party, was closely involved with the organization's current restructuring, and has served as FASB's observer to IASC Board meetings for the last five years.

Robert P. Garnett

Robert Garnett is the Executive Vice President of Finance for Anglo American plc, a South African company, listed on the London Stock Exchange. Mr. Garnett has worked as a preparer and analyst of financial statements in his native South Africa throughout his career and, as an IASB Board member, will reach out to the economies of Southern Africa to improve accounting standards.

Gilbert G elard – Liaison to French Standard Setter

Currently a partner at KPMG in his native France, Gilbert G elard has extensive experience with French industry. He served as a Deputy CFO with Groupe Hachette from 1973 to 1982 and Deputy Group Comptroller with Elf Aquitaine from 1982 to 1987. Mr. G elard speaks eight languages and has been a member of the French standard-setting body (CNC). He served as a member of the former IASC Board.

Robert H. Herz

Robert Herz, as a part-time member of the Board, will continue to be a partner at PricewaterhouseCoopers where he has been in charge technical and professional matters in the United States and in the Americas. Mr. Herz has been a member of several FASB task forces and professional and academic committees and has recently been nominated to become the Chairman of the new Transnational Auditors Committee of the International Federation of Accountants. Though a U.S. citizen, Mr. Herz has also lived in England and Argentina, speaks Spanish, and has worked with many international companies on accounting and reporting matters.

James J. Leisenring – Liaison to the U.S. Standard Setter

Jim Leisenring has worked on issues related to accounting standards setting over the last three decades, as the Vice Chairman and most recently as Director of International Activities of the U.S. Financial Accounting Standards Board (FASB) in his home country. While at FASB,

Mr. Leisenring served as FASB's observer for several years at meetings of the former IASC Board.

Warren McGregor – Liaison to Australian and New Zealand Standard Setters

Warren McGregor developed an intimate knowledge of standard setting issues with his work over 20 years at the Australian Accounting Research Foundation, where he ultimately became the Chief Executive Officer. In his most recent position with Stevenson McGregor, a company he co-founded in his native Australia, he has been involved in advising ASEAN nations on adopting high quality accounting standards.

Patricia O'Malley – Liaison to Canadian Standard-Setter

Patricia O'Malley currently serves as Chair of the Accounting Standards Board of Canada. She has worked on issues related to global standard setting since 1983 and brings vast experience on work with financial instruments. Before joining the Canadian Board, Ms. O'Malley was a Technical Partner at KPMG in her home country of Canada.

Harry K. Schmid

Harry Schmid brings over 40 years of experience as a preparer of financial statements for Nestlé, ultimately becoming Senior Vice President at its headquarters, responsible for corporate reporting. During his professional career and before returning to his native Switzerland, Mr. Schmid lived in Latin America for 17 years and was responsible for finance and control of a Latin American subsidiary. Mr. Schmid speaks four languages (German, French, English and Spanish). He served as a member of the former IASC Board and the Standing Interpretations Committee.

Geoffrey Whittington – Liaison to U.K. Standard Setter

Geoffrey Whittington is the PricewaterhouseCoopers Professor of Financial Accounting at Cambridge University and formerly served as a member of the UK Monopolies and Merger Commission. In academia, Professor Whittington is widely respected internationally on issues related to accounting and financial statement analysis and has served as a member of the UK Accounting Standards Board in his native England.

Tatsumi Yamada – Liaison to Japanese Standard Setter

Tatsumi Yamada is currently a partner at ChuoAoyama Audit Corporation (a member firm of PricewaterhouseCoopers) in Tokyo. Mr. Yamada brings extensive experience with international standard setting as a Japanese member of the previous IASC board between 1996 and 2000, of which he became an Executive Committee member in 2000.

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