

NEWS RELEASE

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AICPA COUNCIL VOTES TO RECOGNIZE THE INTERNATIONAL ACCOUNTING STANDARDS BOARD AS A DESIGNATED STANDARD SETTER

AMELIA ISLAND, Fla. (May 18, 2008) -- The governing Council of the American Institute of Certified Public Accountants voted to designate the International Accounting Standards Board in London as an accounting body for purposes of establishing international financial accounting and reporting principles.

The amendment to Appendix A of AICPA Rules 202 and 203 gives AICPA members the option to use International Financial Reporting Standards (IFRS) as an alternative to U.S. generally accepted accounting principles.

“The AICPA recognizes that international accounting standards are gaining wider use and acceptance in global capital markets and in the United States,” said Barry C. Melancon, president and CEO of the AICPA. “This small but important rule change will enable CPAs to better perform their professional obligations to clients, financial reporting constituents and the public.”

Appendix A to Rules 202 and 203 of the AICPA’s Code of Ethics sets forth the standard setters that have been designated by Council. Under Rule 202, a member who performs professional services shall comply with the standards promulgated by the designated bodies. Additionally, a member may not say that financial statements are in accordance with generally accepted accounting principles unless they follow the standards promulgated by a standard setter listed in Appendix A of Rule 203.

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The Securities and Exchange Commission (SEC) decided last year to allow foreign companies to report using IFRS without reconciling to U.S. GAAP.

Other bodies designated by Council to promulgate accounting standards are the Financial Accounting Standards Board (FASB), the Governmental Standards Accounting Board (GASB), and the Federal Accounting Standards Advisory Board (FASAB). Council's action now adds the IASB to the list of designated accounting bodies.

FASB will continue to set standards in the U.S.

The AICPA's Board of Directors proposed the rule change to Council after hearing recommendations of a task force at the Board's April 2008 meeting. The task force recognized that the accelerating pace of international acceptance of IFRS is leading toward future establishment of a single set of global accounting standards for public companies. The Board agreed that Council should re-assess in three to five years whether the designation of IASB remains appropriate.

With Council's vote to designate IASB, the AICPA's Auditing Standards Board (ASB) and the Accounting and Review Services Committee (ARSC) will now prepare clarifying language on how audit, review and compilation reports can be modified when reporting on financial statements prepared in accordance with IFRS.

The AICPA plans to publicly announce tomorrow a new site, IFRS.com, which officially launched on May 15. The new Web site was designed in partnership with CPA2Biz to help CPAs and financial professionals understand IFRS and navigate the differences between international standards and U.S. generally accepted accounting principles.

Text of AICPA Council Resolutions

The Code of Professional Conduct, *Appendix A- Council Resolution Designating Bodies to Promulgate Technical Standards*, was amended as set out below:

BE IT RESOLVED, That the International Accounting Standards Board (IASB) be designated as the body which is authorized to establish professional standards with respect to international financial accounting and reporting principles under Rule 202 (Compliance With Standards) and Rule 203 (Accounting Principles) of the AICPA Code of Professional Conduct; and

BE IT FURTHER RESOLVED, That the Council shall re-assess, no sooner than three years but no later than five years after the effective date of this resolution, whether continued recognition of the IASB as the body designated to establish professional standards with respect to international financial accounting and reporting principles under Rule 202 and Rule 203 is appropriate.

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AICPA Code of Professional Conduct -- Appendix A Council Resolution Designating Bodies to Promulgate Technical Standards will now read as follows.

International Accounting Standards Board

RESOLVED, That the International Accounting Standards Board (IASB) is hereby designated as the body to establish professional standards with respect to international financial accounting and reporting principles pursuant to Rule 202 and Rule 203; and

BE IT FURTHER RESOLVED, That the Council shall re-assess, no sooner than three years but no later than five years after the effective date of this resolution, whether continued recognition of the IASB as the body designated to establish professional standards with respect to international financial accounting and reporting principles under Rule 202 and Rule 203 is appropriate.

About the IASB

The International Accounting Standards Board is an independent, privately-funded accounting standard-setter based in London, UK. Fourteen board members come from nine countries and a variety of functional backgrounds.

The IASB's mission is to develop a single set of high quality, understandable and enforceable global accounting standards that require transparent and comparable information in general purpose financial statements. The IASB follows a rigorous, open due process to develop standards and cooperates with national accounting standard setters around the world.

The IASB is governed by the International Accounting Standards Committee Foundation formed in 2001 to be the parent entity of the board. IASB assumed accounting standard-setting responsibilities from its predecessor body, the International Accounting Standards Committee, on April 1, 2001. Trustees of the foundation appoint board members in accordance with the foundation's constitution.

About the AICPA

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with more than 350,000 members, including CPAs in business and industry, public practice, government, education, student affiliates, and international associates.

The Institute sets ethical standards for the profession and U.S. auditing standards for audits of private companies, federal, state and local governments, and non-profit organizations. It develops and grades the Uniform CPA Examination nationwide.

The AICPA maintains offices in New York, Washington, D.C., Durham, N.C., Ewing, NJ, and Lewisville, TX.

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