



U.S. Securities and Exchange Commission

Speech by SEC Staff: Opening Remarks at the SEC Open Meeting

by

Conrad Hewitt

Conrad Hewitt

U.S. Securities and Exchange Commission

Washington, D.C.

November 15, 2007

Good morning.

I am pleased the Commission today is considering the acceptance of financial statements prepared pursuant to International Financial Reporting Standards by its foreign private issuers without reconciliation to US GAAP. In my role as Chief Accountant I constantly consider how to make it easier for investors to work with and understand issuers' financial information. One way to facilitate raising capital across borders is through the use of a single set of high quality, internationally accepted accounting standards, this is an approach the Commission has pursued for many years. As we observe greater acceptance of IFRS around the world, it is timely for the Commission to consider providing the opportunity for its foreign private issuers to report to US investors pursuant to IFRS without reconciliation to US GAAP.

I think such a policy change at this time will provide many benefits. Let me mention two of the more significant benefits. First, it provides the opportunity for our foreign private issuers to present financial information to U.S. investors using a common, internationally accepted platform. Financial information prepared in this manner will facilitate investor comparisons of investment opportunities rather than relying on the financial information prepared pursuant to a multiplicity of national GAAPs accompanied by US GAAP disclosures that we currently experience. Second, such a policy change may serve as an incentive to encourage further development and use of IFRS as issued by the IASB around the world.

I acknowledge the feedback that we received in response to the Commission's proposal that not everyone considers this the appropriate time for the Commission to make a policy change to accept stand-alone IFRS reporting from its foreign private issuers. However, the vast majority of

people agree that there should be a single set of high quality, internationally accepted accounting standards. Their concerns on the appropriateness of the timing relate to the overall quality of IFRS, either due to institutional considerations such as the governance or funding of the IASB or due to operational considerations such as the future of the convergence process. I think initiatives, currently underway, that directly address these concerns will be more effective than any indirect effects of retaining the IFRS to U.S. GAAP reconciliation requirement. For example, last week the SEC and other world securities regulators announced a commitment to enhance the governance of the IASC Foundation through a monitoring body. Additionally both the FASB and the IASB have stated publicly they are committed to continue to work towards their shared goal of a single set of converged accounting standards world-wide.

In summary, I am pleased to recommend that the Commission accept IFRS financial statements without reconciliation to U.S. GAAP from foreign private issuers at this time. I now turn to Michael Coco to describe the recommended rule amendments.

Thank you.

<http://www.sec.gov/news/speech/2007/spch111507ch.htm>