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## **Accounting Standards: EU Commissioner McCreevy sees agreement with S.E.C. as progress toward equivalence**

***In Washington today, top officials of the EU Commission and the Securities & Exchange Commission (SEC), meeting in the context of the EU-US Financial Markets Regulatory Dialogue, reached agreement on a 'roadmap' toward equivalence between International Financial Reporting Standards (IFRS) and US Generally Accepted Accounting Principles (GAAP).***

The roadmap sets out steps the SEC will take to eliminate the need for companies using IFRS to reconcile to US GAAP standards possibly as soon as 2007, but no later than 2009.

Representing the EU Commission, Charlie McCreevy, responsible for Internal Market and Services, welcomed the agreement as a tangible sign of progress on his first official visit to Washington since taking office in November 2004:

"Today's announcement is a sign of our common interest in reducing regulatory burden and related costs on business. I came here to promote the better regulation dialogue between the EU and the US. What we have announced today shows that we can achieve real progress through such constructive dialogue."

"I very much welcome the constructive approach the SEC is taking to moving these critical issues forward. We will work closely together to promote the closer alignment of IFRS and US GAAP and towards the elimination of US GAAP reconciliation requirements for foreign private issuers. These are major steps towards high-quality global accounting standards, which the European Union strongly supports."

Commissioner McCreevy added: "Clearly there is much to do all round, but the bandwagon has now started. International accounting standard setters, preparers, issuers, auditors and regulators must now accelerate their efforts to seize this unique opportunity. They must set clear goals and deliver the necessary convergence, consistency and enforcement required. I will be pressing all concerned in Europe to play their part."

"To ensure the momentum is maintained in this important project Chairman Donaldson and I will meet next year to review progress," Commissioner McCreevy said.