



U.S. Securities and Exchange Commissio

Chairman Donaldson Meets with EU Internal Market Commissioner Mccreevy

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Washington, D.C., April 21, 2005 — SEC Chairman William Donaldson and EU Internal Market Commissioner Charles McCreevy met today to discuss a range of topics of mutual interest between the Commission and the European Union, including the importance of compatible approaches to furthering investor protection, and expanding the use of high-quality global accounting standards.

Chairman Donaldson reaffirmed his support for the convergence program being undertaken jointly by the International Accounting Standards Board (IASB) and the U.S. Financial Accounting Standards Board (FASB).

Chairman Donaldson also discussed with Commissioner McCreevy a "roadmap" developed by SEC staff that highlights the steps needed to eliminate the U.S. GAAP reconciliation requirement for foreign private issuers that use International Financial Reporting Standards, or IFRS. The roadmap establishes a goal of eliminating the requirement as early as possible between now and 2009 at the latest. Achieving that goal would, among other things, depend on a detailed analysis of the faithfulness and consistency of the application and interpretation of IFRS in financial statements across companies and jurisdictions, and continued progress on the IASB-FASB convergence project. In view of the reporting cycle for foreign private issuers, the first opportunity for the SEC staff to analyze their 2005 financial statements will be in the middle of 2006.

Chairman Donaldson cautioned that "the ultimate success of IFRS will depend on many parties – including companies, auditors, standard-setters and regulators, but I am glad that all parties are taking on the challenge. We need the contributions of all of them to reach the goal."

Chairman Donaldson also discussed ongoing work by the SEC staff to examine the issue of deregistration by foreign private issuers. He noted the goal of finding a solution that will preserve investor protections without inappropriately designing the U.S. market as one without an exit. He further noted his expectation that the Commission would consider a rule proposal before the end of this year.

Chairman Donaldson agreed to work closely with Commissioner McCreevy, monitor progress, and meet again during the coming year to review overall progress. Commissioner McCreevy also met with SEC Commissioners Glassman, Goldschmid and Campos during his visit to Washington.

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