

Major Differences in U.S. GAAP & IFRS and Latest Developments

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Presentation Outline

- 1) Introduction to International Financial Reporting Standards (IFRS)
- 2) Current Relevance of IFRS in the U.S.
- 3) SEC Roadmap to IFRS and Projected Impact of IFRS on the U.S.
- 4) Overview of Convergence Process
- 5) Major Differences between U.S. GAAP and IFRS
- 6) Dependency of IFRS on Business Ethics and Corporate Governance
- 7) IFRS Business Opportunities for CPAs
- 8) Implications for Businesses and Audit Committees
- 9) IFRS Resources, Self-Study Opportunities and SDSU IFRS Curriculum

1) Introduction to IFRS

IFRS Are a Reality

The globalization of business and finance has led to the successful mass adoption of IFRS in more than 110 countries.*

The Chairman of the IASB, Sir David Tweedie, expects that 150 countries will mandate or allow IFRS within the next three years.

Canada, India and Japan will adopt IFRS in 2011.

Mexico will adopt IFRS by 2012.

Both of our neighbors are adopting IFRS. Because of the comparable period requirement under IFRS 1 (First time adoption of IFRS), companies in both countries are currently working on the transition to IFRS.

* www.iasb.org, www.ifrs.com, www.iasplus.com

Milestones in IFRS History

- 2001** Formation of the IASC Foundation and the IASB
- 2002** EU passes regulation to adopt IFRS for listed entities in 2005
FASB and IASB sign 'The Norwalk Agreement' in which they commit to reduce differences between US GAAP and IFRS, initiating the conversion efforts
- 2005** Nearly 7,000 listed entities in Europe adopt IFRS
- 2006** IASB announces 'three years stable platform period' - entities that have already adopted IFRS do not need to implement new IFRS until 2009
- 2007** SEC removes reconciliation requirement for non-U.S. entities reporting under IFRS
- 2008** SEC proposes roadmap for potential mandatory adoption of IFRS by U.S. Filers
- 2009** New SEC Chairman Mary Shapiro is reluctant to fully support roadmap to IFRS. In April, the Group of Twenty supports IFRS as one important step towards reforming the Financial System

Main Reasoning for Global Accounting Standards

Global Accounting Standards improve the functioning of global capital markets by providing better information to investors and other users of financial statements.

- Decrease the costs of preparing and interpreting financial statements
- Decrease cost of capital

Robert Herz

Chairman FASB

“If you were to look back from the year 2020 to the year 2001 you would say ‘What chaos!’ and ‘What inefficient capital markets!’ People will look back and say, ‘How did those people get along then?’ It will be like we now say, ‘How did people get along without cell phones?’ When you are in the middle of it, it is always difficult. It is important just to keep on towards that end goal.”

Benefits to Capital Markets

- Enhanced worldwide comparability for investors
- More efficient capital allocation
- Enhanced credibility of local markets to foreign investors
- More company-friendly US securities market for foreign listings
- No need to develop and maintain national standards

Investors viewed European IFRS adoption positively

Benefits to Companies

- Lower cost of capital
- Supports raising capital overseas
- Easier consolidation (one set of books)
- Easier cross-border acquisitions
- Encourages integrated IT Systems
- Understand the financial statements of overseas suppliers, customers, subsidiaries

Other Benefits

- Some U.S. GAAP are outdated and IFRS can enhance the quality of reporting
- Easier movement of auditors and accountants across borders
- Facilitates global education and training

The Strengths of Rules-Based Standards

- + Increased verifiability for auditors and regulators
- + Increased comparability among financial statements
- + Reduced opportunities for earnings management through the use of judgments
- + Improved communication of standard setters' intentions
- + No requirement for a very strong 'professional judgment' on the part of accountants and auditors

The Weaknesses of Rules-Based Standards

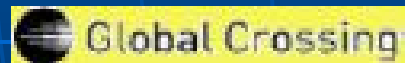
- Increases the overall complexity of applying a given principle
- Management can structure transactions to meet the form of the rules while not conforming to the underlying substance (form over substance)
- Can drastically depart from the underlying principle
- The Business landscape is dynamic and ever changing, rules are not able to keep pace
- Rules can be obsolete by the time they are issued

View of IFRS in the U.S.

Common IFRS Prejudice in the U.S.:

IFRS do not have strong guidance
and will lead to chaos and accounting scandals.

Some Accounting Scandals Under U.S. GAAP



Accounting Scandals Under IFRS



2007 - controversial use of overriding principle in IAS 1 to provide a 'true and fair view' on financial statements.

...Yes, there are likely more to come, but so far things look very good.

...How is this possible?

...Because of the (intended) lack of guidance, IFRS force accountants to think about properly displaying the substance of transactions, resulting in more meaningful

Financial Statements. 16

Michael Hughes

KPMG Global Head of Audit

“IFRS brings more discipline and more rigor. Companies say that if IFRS continue to base themselves on economic realities then they look at their own businesses differently and it helps them manage themselves better. Companies need to feel the figures are equally relevant for decision-making.”

2) Current Relevance of IFRS in the U.S.

Relevance of IFRS in the U.S...

- IFRS are used by SEC foreign registrants without reconciliation to US GAAP
- IFRS are used by foreign subsidiaries of U.S.-based multi-nationals
- IFRS are used by U.S. subsidiaries of non-U.S. multi-nationals for the purpose of consolidation

...is Likely to Grow in the Future

- SEC taking steps to allow U.S. companies to adopt IFRS (SEC Roadmap to IFRS)
- Within a few weeks the IASB will issue a new IFRS:

“IFRS for Non-publicly Accountable Entities (NPAEs)”

This single IFRS will likely be a milestone in worldwide IFRS Adoption and is viewed to have a similar significance as the Adoption of IFRS in the European Union in 2005.

3) SEC Roadmap to IFRS and Projected Impact of IFRS on the U.S.

Introduction to SEC Roadmap to IFRS

<u>TITLE:</u>	'Roadmap For The Potential Use Of Financial Statements Prepared In Accordance With International Financial Reporting Standards By U.S. Issuers.'
<u>AGENCY:</u>	Securities and Exchange Commission
<u>ACTION:</u>	Proposed rule
<u>PAGES:</u>	165
<u>PUBLICATION DATE:</u>	11/14/2008
<u>COMMENT DEADLINE:</u>	Extended to April 20, 2009
<u>COMMENT LETTERS:</u>	>180 comment letters received

SEC IFRS Roadmap: Proposed Phased Approach

Targeted U.S. issuers	Type	First IFRS Reporting Date
Limited early eligible entities	Optional	Fiscal years ending on or after 15 December 2009
Large accelerate filers	Mandatory	Fiscal years ending on or after 15 December 2014
Accelerated filers	Mandatory	Fiscal years ending on or after 15 December 2015
Non-accelerated filers	Mandatory	Fiscal years ending on or after 15 December 2016

Milestones to be Achieved for the Potential Use of IFRS by U.S. Issuers

1. Improvements in Accounting Standards

A Memorandum of Understanding between FASB and IASB outlines projects expected to be completed through 2011

2. Accountability and Funding of the IASC Foundation

IASCF must develop an independent and reliable funding mechanism

3. Improvement in the Ability to Use Interactive Data (XBRL) for IFRS Reporting

SEC will evaluate IFRS XBRL Taxonomy

4. Education and Training

The SEC will consider the state of preparedness of U.S. issuers, auditors, users and educators

Milestones to be Achieved for the Potential Use of IFRS by U.S. Issuers, Cont.

5. Limited Early Use of IFRS Where This Would Enhance Comparability for U.S. Investors

For large U.S. companies in industries in which IFRS is the most-used set of standards globally

6. Anticipated Timing of Future Rulemaking by the Commission

The SEC will decide about mandatory use of IFRS in 2011. The main criteria will be, if IFRS will benefit investors & the public interest

7. Implementation of the Mandatory Use of IFRS

Staged transition as mentioned in proposed phased approach

Former SEC Chairman Christopher Cox versus Successor Mary Shapiro

COX:



“An international language of disclosure and transparency is a goal worth pursuing on behalf of investors who seek comparable financial information to make well-informed investment decisions.”

SHAPIRO:



“When it comes to international accounting standards, it’s critical that these standards are converged in a way that does not kick off a race to the bottom. American investors deserve and expect high standards of financial reporting, transparency, and disclosure - along with a standard setter that is free from political interference and that has the resources to be a strong watchdog. At this time, it is not apparent that the IASB meets those criteria, and I am not prepared to delegate standard-setting or oversight responsibility to the IASB.”

Summary of Shapiro's Concerns

- Pace of timeline
- Independence of IASB
- Cost of IFRS Adoption
- Shapiro's concerns are all valid, but they are not new. These concerns have been known and they will be properly addressed.

SEC has Problems of its Own

- Credit crisis and undiscovered fraud schemes partly due to lack of oversight and failure of SEC.
- SEC's current focus is on enforcement and internal restructuring. SEC is self-consumed and overstrained with in-house problems that are not quickly to solve.
- As a result, SEC has little room for 'other' issues. IFRS is not viewed as urgent.

Shapiro's Comments Result in Planning Uncertainty which will Lead to Timing Problems

- From a company perspective, it is difficult to commit to IFRS without the relevant agency (SEC) showing commitment. In a worst case scenario, an early IFRS adopter would have to revert to U.S. GAAP.
- Transition to IFRS is a **PROCESS**, not a shift.
- Lessons learned in the European Unions:
 - Required effort was underestimated
 - Starting late caused costs to increase
 - Company-wide 'holistic' approach better than supplemental approach (Excel adjustments)

Strong International Support for IFRS

At their April 2, 2009 London Summit, the Leaders of the Group of 20 agreed as part of their Declaration to Strengthen the Financial System...

“...to call on the accounting standard setters to work urgently with supervisors and regulators to improve standards on valuation and provisioning and achieve a single set of high-quality global accounting standards.”

Strong International Support for IFRS, Cont.

Robert L. Bunting, former Chairman of the AICPA and President of the International Federation of Accountants (IFAC) supports IFRS in an interview with the JofA on April 21, 2009.

“Market, rather than political forces will drive the use of global standards in the U.S. A significant portion of U.S. companies will be reporting under IFRS no matter what the SEC decides... There is nothing the SEC can do to keep that from happening unless they commit to the same language that the rest of the world will be operating in.”

“The SEC’s proposed roadmap for the adoption of IFRS is doable as are the roadmaps for Canada, China and Japan.”

Comment Letter - AICPA

(American Institute of Certified Public Accountants)

“The U.S. financial reporting system will take substantive, definite steps to ready itself for IFRS only when the SEC sets a date certain on requiring companies to adopt IFRS.”

“Certain of the “milestones” in the Roadmap are critical for an SEC decision on IFRS while certain other ones are not.”



“..., IFRS cannot be viewed in a vacuum - the auditing, regulatory, and litigation environment in the U.S. must adopt to allow for adoption of IFRS.”

Comment Letter – NASBA

(National Association of State Boards of Accountancy)

“In an ideal world, a single set of accepted accounting standards set by an international regulatory organization could be globally accepted. However, we do not live in an ideal world...”

“... jurisdictional variants of IFRS have become the norm and are likely to continue into the future. There is simply no assurance that all countries embracing IFRS will apply the standards in the same way to achieve comparability - the chief benefit argued for a single set of standards.”

“Principles-based IFRS can be “engineered” to reach a desired result, regardless of the economics of a transaction... NASBA further notes that “engineering” is an ethical issue and not a technical issue, and that ethical issues cannot be solved with technical solutions.”

“NASBA recommends to the Commission that the Roadmap be withdrawn due to the concerns previously discussed. To eliminate uncertainty for the U.S. issuers, investors, creditors and other members of the public, NASBA also recommends that the Commission’s withdrawal take place as early as possible.”

Comment Letter – AAA

(American Accounting Association)

“Financial statements based on IFRS provide good financial reports that are equivalent to those based on U.S. GAAP. We favor giving U.S. companies the choice of using U.S. GAAP or IFRS in their financial reports and hope that other jurisdictions around the world would exploit the advantages of giving choice to their own registrants. This will lead to a gradual and partial adoption of IFRS in the U.S.”

Comment Letter – IDW

(Institut der Wirtschaftsprüfer)

“We are not convinced that staggering the transition in the manner proposed is necessarily the optimal way... given the convergence project and resultant increasing similarities between U.S. GAAP and IFRS the transition ought to be less onerous for U.S. issuers than was the case for German companies, who faced significant challenges in converting to IFRS from a substantially different German GAAP.”

“True IFRS convergence ought to involve due consideration of other major national GAAP and also be open to new ideas rather than being restricted to existing U.S. GAAP.”

“... criteria by which the Commission plans to evaluate these factors are not clear... In not indicating a firm commitment, but essentially “holding the door open” the SEC makes the prospect of electing for the early use of IFRS significantly less attractive; issuers are unlikely to be prepared to try IFRS for a limited period, especially if they might subsequently need to revert back to U.S. GAAP either voluntarily or at the insistence of the SEC. We therefore urge the SEC to bring forward its decision and indicate a firm commitment to the transition to IFRS, rather than merely introducing the “possibility” of IFRS adoption.”

Comment Letter Summary

- Many of the comment letters have been written by special interest groups and they are not necessarily representative of the view in the U.S. Two surveys conducted by KPMG in January 2009 show a strong support for IFRS among executives, a survey by Grant Thornton conducted in April 2009 shows a 50/50 'support' for IFRS.*
- The frequently used argument that adopting IFRS during the current recession causes unbearable costs, is likely incorrect. The SEC Roadmap to IFRS includes a very generous phased-in approach towards adopting IFRS resulting in adoption of IFRS for most companies in 2016 at the earliest.

*KPMG's Executive Report of Findings on the Proposed IFRS Roadmap, www.kpmg.com.
April 30, 2009 Press Release on www.grandthornton.com

Comment Letter Summary, Cont.

- The U.S. has a very unique business history
- IFRS do not match this business history
- U.S. needs to change in several areas (legal, regulation, corporate governance) to get ready for IFRS
- Implementing IFRS in the U.S. might be more challenging than in other countries due to country specific environment
- Conversion project between FASB and IASB will greatly facilitate adoption of IFRS in the U.S.
- U.S. has a broad base of accounting professionals (CPA's) that will be able to support the adoption of IFRS

Projected Impact of IFRS on U.S.

SHORT-TERM:

- NEW rules, judgments and perspective on financial reporting
- Confusion, change, chaos?

LONG-TERM:

- Accountants know a single set of global standards and become experts at making the required judgments
- Mobility of people, information, capital
- Comparability, confidence, clarity!

The Need for Change and a New Foundation

- ‘Change’ was the leading theme of President Obama’s election campaign. Obama now uses the term ‘Foundation’ more and more often to emphasize the need for disruptive change.
- Foundation: ‘A basis upon which something stands or is supported.’ (*Merriam Webster Online Dictionary 2009*)
- Adoption to changing environments is a key skill for survival. The U.S. has procrastinated on necessary changes and reforms and is now under pressure to adopt at a much quicker pace.

"In a time of drastic change,
it is the *learners* who inherit the future.
The *learned* find themselves equipped to
live in a world that no longer exists."

Eric Hoffer

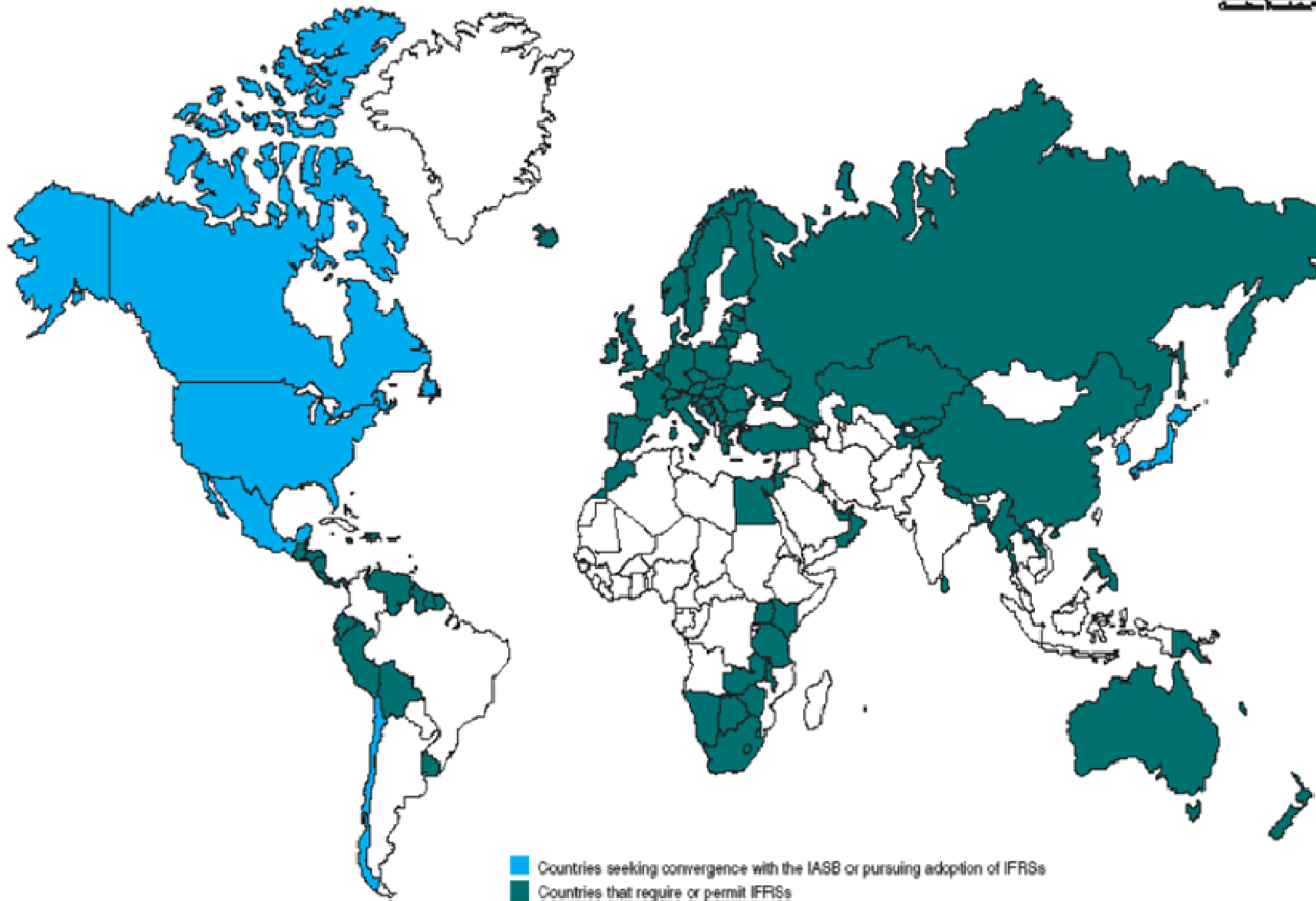
4) Overview of Convergence Process

What is International Convergence?

- Does not mean “merged” identical standards
 - Means to an end, not an end itself
 - Recognition of equivalence between IFRS and U.S. GAAP
- Common financial language
- IASB and FASB joint MOUs
 - Other standard setters involvement
- Convergence goes beyond the U.S. and EU (IASB)
 - Canada, Japan, China, India, Israel, Korea and more...

THE MOMENTUM TOWARDS GLOBAL IFRS ADOPTION

More than 100 countries require or permit the use of International Financial Reporting Standards (IFRSs), or are converging with the IASB's standards.



More Advantages to Convergence

- Financial reporting that is not easily understood by global users is unlikely to bring new business or capital to a company
- Why is this the case?
 - Transparency and comparability
 - Growing economies access to the following (all which stimulate growth):
 - Global capital markets/global economies
 - Promote private investment across borders
 - Global access to financial institutions

More Advantages to Convergence, Cont.

- Cross-border accountability and audit issues
 - Understandability
 - Improve the quality of financial reporting
 - IASB and AICPA convergence of auditing standards
 - Mergers and acquisitions
 - Reduction of audit costs
- International benefits for multi-national companies
 - Improve internal reporting (parent/subsidiaries)
 - Quality of management reporting and group decision making

Convergence Considerations

• Principles versus Rules

- Generally, U.S. standards are developed on principles
 - Interpretive guidance adds many bright lines (to name a few):
 - Emerging Issues Task Force (EITFs)
 - AICPA (SOPs, Industry Guides)
 - FASB (Staff Positions and Interpretations)
 - SEC (Staff Accounting Bulletins)
 - IFRS are strictly principles based
 - Very limited interpretations by IFRIC
 - “Non agenda” items as discussed in the “green book”
 - The “spirit” of a U.S. GAAP “rule” and an IFRS principle may be the same but result in a different answer

Convergence Considerations, Cont.

- Impact and considerations on human capital
 - Create a project team (all levels of organization as this impacts most, including project management)
 - Hire external consultants to assist with project
 - Develop training program for all levels
 - Revise performance targets for individuals and company
 - Develop a project plan with timelines to meet established deadlines

Convergence Considerations, Cont.

- Impact and considerations on processes and systems
 - Develop new internal accounting and reporting guidelines (manuals)
 - Evaluate new IT system needs/controls
 - Evaluate and implement controls over conversion and changes in current control processes and structure
 - Develop transition plan
 - Embed IFRS reporting in systems to avoid manual processes, when possible

IFRS and the PCFRC

- Private Company Financial Reporting Committee (PCFRC)

- **4 CPAs in practice**
- **4 financial statement preparers**
- **4 users of financial statements**

“The PCFRC is part of a broad initiative by the Financial Accounting Standards Board (“FASB” or “the Board”) and the AICPA to further improve the FASB’s current standard-setting process to better meet the financial reporting needs of private companies and the users of their financial statements. The PCFRC considers user needs and conducts cost-benefit analysis to make formal recommendations to FASB about existing and prospective GAAP. Under protocols set up with the FASB, the Board must consider all recommendations, and decisions made concerning those recommendations becoming a part of the Board minutes.”

MOU Process

- Three year projects between IASB and FASB
- First MOU
- Second MOU
- Third MOU
- More to come?

“Breaking News”

Recent IFRS Thought Leader Comments on Convergence

- FAF White Paper March 2009
- SEC Chairperson
Mary Shapiro April 2009
- FASB Chairperson
Robert Herz April 2009

5) Major Differences between U.S. GAAP and IFRS

Some Examples of Differences:

#1 Intangibles

<u>U.S. GAAP</u> (8 GAAP sources)	<u>IFRS</u> (2 IFRS sources)
■ Acquired intangible assets recognized at fair value	■ Recognized if a) probable to have future economic benefit and b) measured reliability
■ Cost allocated to individual assets	■ Initial measurement is at cost
■ Finite lives amortized over the period	■ M&A intangibles at fair value
■ Examples: <ul style="list-style-type: none"> - Advertising costs - Computer software costs - Website developments - R&D - Start-up costs - FAS141R 	■ Revaluation made on a regular basis

Some Examples of Differences:

#2 Revenue

<u>U.S. GAAP*</u> (8+ GAAP sources)	<u>IFRS*</u> (2 IFRS sources)
<u>4 Criteria:</u> <ol style="list-style-type: none"> 1. Persuasive evidence 2. Delivery 3. Fixed/determinable pricing 4. Collectability assured <p>Other considerations</p>	<u>Sale of goods (5 criteria):</u> <ol style="list-style-type: none"> 1. Transfer of risk and rewards 2. No continuing management involvement 3. Measurement reliability 4. Probable economic benefit 5. Cost incurred/to be incurred measured reliably
<ul style="list-style-type: none"> ■ Right of return 	<u>Rendering of service (4 criteria):</u> <ol style="list-style-type: none"> 1. Reliable measurement 2. Probably economic benefit 3. Stage of completion reliably measured 4. Cost/cost to be incurred reliably measured
<ul style="list-style-type: none"> ■ Multiple deliverables 	
<ul style="list-style-type: none"> ■ Software revenue 	
<ul style="list-style-type: none"> ■ Franchise revenue 	
<ul style="list-style-type: none"> ■ Real estate revenue 	
<ul style="list-style-type: none"> ■ Long-term contracts 	

*Subject to current MOU process/revisions

Some Examples of Differences:

#3 Accounting Standards

<u>U.S. GAAP</u> (FAS 154)	<u>IFRS</u> (IAS8)
<u>Accounting principle</u> <ul style="list-style-type: none"> ■ Retroactive application ■ Period specific effect ■ Cumulative effect 	<u>Accounting policy</u> <ul style="list-style-type: none"> ■ Only if results in reliable and more relevant information for B/S, P/L, C/F ■ Voluntary retro ■ New accounting policies applied to carrying value of assets and liabilities
<u>Accounting estimate</u> <ul style="list-style-type: none"> ■ _Period of change or ■ Period of change and future periods ■ No restatements 	<u>Accounting estimate</u> <ul style="list-style-type: none"> ■ Same as U.S. GAAP
<u>Error corrections</u> <ul style="list-style-type: none"> ■ PPA 	<u>Error corrections</u> <ul style="list-style-type: none"> ■ PPA

IFRS vs. U.S. GAAP Concepts

- Many different concepts
 - Methodologies for impairment of PP&E, intangibles
 - Revaluation accounting
 - Recovery of impairments under IFRS
 - Recognition and measurement of provisions (including restructurings)
 - More detailed disclosures under IFRS (vs. U.S. GAAP private company)

6) Dependency of IFRS on Business Ethics and Corporate Governance

Key Ethics Considerations when Adopting IFRS

Judgment Considerations

- Legacy accounting models
- U.S. views of materiality
- SOX impact on U.S. versus the world's governance
- U.S. "legalism" mindset (rules-based thinking)
- Wide range of "basis" for judgment internationally – cultural differences
- Global fraud/corruption considerations

Consistency Risks

The application of IFRS particularly in the early years may well result in diverse accounting treatments and disclosures for identical transactions.

PCAOB Concerns

PCAOB Member Argues Against IFRS Capitulation

- PCAOB member Charles Niemeier, in remarks to the New York State Society of CPAs:
 - The misconception that IFRS is better than GAAP because it is principle-based
 - IFRS is not more principle-based, in his view, just “younger”
 - Accounting under IFRS is more variable, not more principled, he explained
 - He urged the IASB to introduce more comparability in the information that is reported for investment purposes
 - He quoted a European asset manager who noted that IFRS “scope for interpretation... remains colossal”

7) IFRS Business Opportunities for CPAs

Public and Private Company CFO/Controller Considerations

1. Understand the key components of IFRS
2. Develop company-wide strategy and timelines
3. Monitor IASB/FASB/SEC developments and adjust timelines
4. Assess the cost/benefit for start date
5. Interview consultants
6. Assess project management software
7. Assess “foreign sub” needs
8. Ethics/compliance risk assessment

CPA/Public Accounting Considerations

1. Educate your audit/tax professionals
2. Identify client needs and timing for implementation deadlines
3. Develop thought leadership materials
4. Watch the SEC Roadmap
5. Look for early adopters
6. Look now for U.S. subsidiaries of foreign entities
7. Address with your clients:
 1. Project management
 2. Change management
 3. Legacy accounting
 4. Cost benefits
 5. Software tools
 6. Training materials
8. Audit risk assessment

8) Implications for Businesses and Audit Committees

Audit Committee

IFRS – What's Coming Around the Corner

- Audit Committee training
- Judgment risks
- Alternative implementations – EU/US
- Educate entire BOD and corporate counsel

9) IFRS Resources, Self-Study Opportunities and SDSU IFRS Curriculum

Preparing for IFRS – First Steps

1. Understand the IFRS Framework
2. Learn foundational concepts
3. Learn how to make ‘professional judgments’
4. Participate in the process
5. Do not apply IFRS from a US GAAP perspective
6. Adopt a global perspective



IASB January 2009

We are pleased to announce that IASB Update for January is now available.

Change in effective date of restructured IFRS 1

At its December 2008



IFRS Bound Volume 2009

will be available in March. [Find out more here](#)



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Welcome to IASB.org

This is the Website of the International Accounting Standards Board.

**Trustees announce membership of reconstituted
Standards Advisory Council**
February 2009

The Trustees of the International Accounting Standards Committee (IASC) Foundation, the body that oversees the International Accounting Standards Board (IASB), announced today appointments to the reconstituted Standards Advisory Council (SAC). Membership of the SAC is for the period ending on 31 December 2011.

**Second meeting of Financial Crisis Advisory Group taking
place 13 February**
13 February 2009

The second meeting of the Financial Crisis Advisory Group is taking place today at Baruch College Newman Conference Center in New York, US at 9.30am Eastern time (2.30pm UK time).

**Live web presentation introducing the Discussion Paper on
Revenue Recognition today 3pm London time**
10 February 2009

In December 2008 the IASB and the FASB published their joint discussion paper on Revenue Recognition. The discussion paper is

Meetings Diary

IASB Board Meeting 17 February 2009

Tuesday 17 February 2009

IASB Board Meeting 18 February 2009

Wednesday 18 February 2009

IASB Board Meeting 19 February 2009

Thursday 19 February 2009

IASB Board Meeting 20 February 2009

Friday 20 February 2009

SAC Meeting 23 February 2009

Monday 23 February 2009

SAC Meeting 24 February 2009

Tuesday 24 February 2009

Meeting of the International Accounting
Standards Board with the Analyst
Representative Group

Wednesday 25 February 2009

IFRIC Meeting - March 2009

Thursday 5 March 2009



IFRS – An AICPA Backgrounder

Recently updated, this publication provides a background of international accounting convergence including a timeline of key dates.

- [Worldwide Momentum](#)
- [SEC Leadership in International Effort](#)
- [What CPAs Need to Know](#)
- [GAAP and IFRS, Still Differences](#)



Featured IFRS News

Public Comments on IFRS Roadmap

Read public comments received by the SEC's Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers. Public comments are available on the [SEC's website](#).

XBRL Rule Issued

February 10, 2009 – The Securities and Exchange Commission issued its final rule requiring public companies to file their financial statements in interactive data format using the eXtensible Business Reporting Language (XBRL). The new rules will require the largest companies to use interactive data beginning with their quarterly June 2009 filings. The rules will be phased in over a three-year period. [CFO.com](#) writes about the new rule and says that [some observers](#) believe that XBRL will help move companies towards IFRS.

[View Final Rule](#)

IFRS News Clips

Mary Schapiro's remarks cause

concerns - [Accountancy Age](#) writes that remarks by the new SEC Chair have caused confusion about the direction of IFRS in the U.S. The author expressed concern about the possibility of an underlying protectionist attitude.

IASC Foundation Trustees announce appointments to the reconstituted Standards Advisory Council (SAC) - The SAC is the formal advisory body to the IASB.

PricewaterhouseCoopers LLP Announces \$700,000 IFRS Grant - The accounting firm announced the awarding of \$700,000 in grants to 26 universities and colleges to accelerate IFRS Curriculum.



Experts answer questions about IFRS

Four experienced practitioners share views on early-adopter advantages, the potential demand for early adoption and IFRS for private entities.

IFRS Report Email Alerts

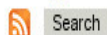
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► [SEC's Schapiro plans to slow the pace of IFRS implementation](#)

Sunday, 22 Feb 2009



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23 February 2009: US private companies strongly favour IFRS

Private Entities

A new Deloitte poll suggests that a significant number of American private companies would like a single set of globally accepted financial reporting standards for non-public entities. More than 40 percent of 1,700 finance professionals, mostly from private companies, responded to a set of polling questions during a Deloitte webcast by stating that their companies would take positive action when the IASB completes its project on private entity reporting. Almost 14 percent said they will consider adopting IASB's new standard in the near term, while 26 percent reported they will assess the costs and benefits of adoption. Nearly 85 percent found something appealing about the project, including more than 43 percent that liked having a simplified, self-contained set of accounting standards that are appropriate for private entities. Close to 30 percent believed these standards would reduce the financial reporting burden, and just over 21 percent cited better comparability for users of private company financial information. The Deloitte webcast, *International Financial Reporting Standards: Why Private Companies Should Take Note*, can be replayed at www.deloitte.com/us/webcast128. Click for [Deloitte News Release](#) (PDF 24k).

23 February 2009: Three IFRS publications from Deloitte Brazil



Deloitte (Brazil) has published three IFRS publications in Portuguese. Brazil will require IFRS consolidated financial statements for all listed companies and all banks, both domestic and foreign owned, starting with years ending 31 December 2010. The three new Brazilian IFRS publications are:

- *IFRS ao seu alcance* (IFRS in your Pocket in Portuguese) (PDF 355k) – based on the English version of *IFRSs in your Pocket 2008*.
- *O Brasil converge com um guia prático para adoção do IFRS* (PDF 488k) – *Brazil Converging: A Practical Guide to Adopting IFRS*. This is a guide to implementing IFRS from the Brazilian point of view, including a summary of the Brazilian requirements and deadlines, business implications of IFRSs, suggested actions, and a readiness checklist.



■ *IFRS no Setor Imobiliário - Além da contabilidade e dos Relatórios Financeiros* (PDF 360k) – *IFRS in the Real Estate Industry in Brazil*. This publication identifies accounting differences with current Brazilian GAAP as well as business implications and suggested actions.

There are permanent links to these publications on our [Brazil Page](#).

22 February 2009: NASBA asks SEC to drop 'Roadmap' to IFRSs



The National Association of State Boards of Accountancy (NASBA) has asked the US Securities and Exchange Commission to withdraw its proposal for a *Roadmap* for use of IFRSs by all US companies registered with the SEC. Instead, NASBA believes that the Commission should encourage convergence of US GAAP and IFRSs.

- Click for [NASBA Letter to the SEC](#) (PDF 50k).

NASBA is the association of the 55 government boards of accountancy in US states and territories. The individual boards examine candidates and license CPAs. NASBA itself administers an International Qualification Examination (IQEX) for non-US candidates seeking a reciprocal US CPA designation.

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IASB Links

Self-Study Opportunities

1) Certificates

Institute of Chartered Accountants of England and Wales offers 'Certificate in IFRS',
www.icaew.com

2) Continuing Education

The International Financial Reporting Standards: An Overview www.cpa2biz.com
(AICPA, 2 CPE)

International Versus U.S. Accounting: What in the World is the Difference?
www.cpa2biz.com (AICPA, 10 CPE)

Are You Ready for IFRS? Moving Beyond the Basics, www.cpa2biz.com (AICPA, 18 CPE)

3) E-Learning Modules

www.deloitteifrslearning.com
www.ey.com/ifrs

4) Email Newsletters

www.ifrs.com

5) Webcasts

www.ifrs.com
www.kpmgifrsinstitute.com

SDSU IFRS Curriculum

- Currently, Universities in the U.S. are starting to implement IFRS into their curriculums.
- Since 2005 the Charles W. Lamden School of Accountancy at San Diego State University offers courses in International Accounting, employing experienced IFRS Professionals from Europe and Russia.
- Other SDSU Accounting Courses include at least a brief comparisons to IFRS. IFRS has been included into undergraduate classes.
- SDSU Open University invites professionals to participate in classes to earn credits towards a 'Certificate in Accounting'. This can also include courses in IFRS.

Selected IFRS Internet Resources

International Accounting Standards Board (www.iasb.org)

American Institute of Certified Public Accountants (www.ifrs.com)

Deloitte (www.iasplus.com)

Deloitte (www.deloitteifrslearning.com)

KPMG (www.kpmgfacultyportal.com)

PricewaterhouseCoopers (www.pwc.com/faculty)

Ernst & Young (www.ey.com/ifrs)

European Commission (http://ec.europa.eu/internal_market/accounting/ias_en.htm)

European Financial Reporting Advisory Group (www.efrag.org)

The Federation of European Accountants (www.fee.be)

The Committee of European Securities Regulators (www.cesr-eu.org)

Chartered Accountants of Canada (www.cica.ca)

The Institute of Chartered Accountants of England and Wales (www.icaew.com)

International Association for Accounting Education and Research (www.iaaer.org)

Association of Chartered Certified Accountants (www.accaglobal.com)

Financial Accounting Standards Board (www.fasb.org)

Selected IFRS Internet Resources, Cont.

Chartered Financial Analyst Institute (www.cfainstitute.org)

Securities and Exchange Commission (www.sec.gov)

SEC Roadmap to IFRS (<http://www.sec.gov/spotlight/ifrsroadmap.htm>)

American Institute of Certified Public Accountants (www.aicpa.org)

Public Company Accounting Oversight Board (www.pcaobus.org)

International Auditing and Assurance Standards Board (www.ifac.org/IAASB)

UN Conference on Trade and Development (www.unctad.org)

International Organization of Securities Commissions (www.iosco.org)

Financial Stability Forum (www.fsforum.org)

XBRL International (www.xbrl.org)

Thank You!

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