

SEC ANNOUNCES NEXT STEPS RELATING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Washington, D.C., April 24, 2007 – Following up on its roundtable last month, the Securities and Exchange Commission today announced a series of actions it intends to take relating to the acceptance of financial reporting in International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

The Commission anticipates issuing a Proposing Release this summer that will request comments on proposed changes to the Commission's rules which would allow the use of IFRS in financial reports filed by foreign private issuers that are registered with the Commission. The approach in the proposed rule would be to give foreign private issuers a choice between IFRS and U.S. GAAP. In addition, the Commission plans a Concept Release relating to issues surrounding the possibility of treating U.S. and foreign issuers similarly in this respect by also providing U.S. issuers the alternative to use IFRS. Comments on both would be due in the fall.

"The next steps that the Commission is announcing today will keep us on course with the Roadmap announced in 2005," said SEC Chairman Christopher Cox. Pending public comments on the proposal, "we remain on track to eliminate reconciliation by 2009," Cox added.

The Commission's rules currently require that foreign private issuers who report in IFRS, or any other non-U.S. GAAP, provide a reconciliation of those financial statements to U.S. GAAP. The Commission's planned proposal this summer would address eliminating that reconciliation requirement with respect to financial statements filed in IFRS beginning in 2009. This is consistent with the timetable set forth in the Roadmap in 2005.

Because the elimination of the reconciliation requirement will permit some, but not all, registrants to have a choice between IFRS and U.S. GAAP, it raises the question whether all registrants should be able to report under either IFRS or U.S. GAAP. The planned Concept Release will permit the Commission to gather more information on this subject.

"I am very pleased that the Commission is moving forward in this important area. The actions announced today represent critical steps toward a future regulatory framework in which IFRS may be used on a stand-alone basis by foreign private issuers and possibly also by U.S. issuers," remarked John W. White, Director of the Division of Corporation Finance at the Commission. "The staff will continue our work relating to IFRS so that we are in a position to make a recommendation to the Commission with respect to the elimination of the U.S. GAAP reconciliation requirement in time for the annual reports filed by calendar year foreign private issuers in 2009."

"Whether foreign private issuers and ultimately U.S. companies should be permitted to use financial statements prepared using IFRS without the current reconciliation to U.S. GAAP are important policy questions for the Commission and U.S. investors," said Conrad W. Hewitt, the Commission's Chief Accountant. "Mindful of the Roadmap, we are working expeditiously to develop our recommendations for the Commission to consider."

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