
SEC Commissioner Endorses Consideration of Supplemental IFRS Reporting by US Issuers

NOVEMBER 30, 2015

In recent [remarks](#) at the 34th Annual Current Financial Reporting Issues Conference hosted by Financial Executives International, SEC Commissioner Michael S. Piowar discussed the status of International Financial Reporting Standards (IFRS) at the SEC. Commissioner Piowar reviewed the history of the SEC's consideration of IFRS, noting that the SEC has made no formal public pronouncements on efforts to achieve a single set of high-quality global accounting standards since a statement in February 2010 and the issuance of a staff report in July 2012. (See this [post](#) regarding the staff report.) Noting that "the rest of the world awaits leadership from the United States and the SEC in particular," he stated that "[t]he absence of public pronouncements, however, should not be taken as a sign that the issue has not been subject to discussion . . . among commissioners and staff about prospective paths forward."

Commissioner Piowar referred favorably to an approach suggested by SEC Chief Accountant James Schnurr in December 2014 that would allow, but not mandate, IFRS reporting as a supplement without reconciliation to US generally accepted accounting principles (GAAP). (See previous posts: [December 24, 2014](#) and [May 20, 2015](#).) Stating that this approach is "worthy of serious consideration," he concluded that while "the specific details would still need to be worked out," he thought that the SEC "should take this additional step forward."

According to recent news reports, Mr. Schnurr intends to recommend to SEC Chair Mary Jo White that issuers be permitted to provide supplemental IFRS information, in addition to financial statements prepared under GAAP. Mr. Schnurr indicated that the proposal is undergoing an internal staff review process. He did not predict when or whether the SEC might issue a proposed rule.

Authors

Thomas W. White

RETIRED PARTNER

☎ +1 202 663 6000