
SEC Staff Issues IFRS Report

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Late on Friday, July 13, the Staff of the SEC's Office of Chief Accountant issued its [final report](#) on its Work Plan to study incorporation of International Financial Reporting Standards into the U.S. financial reporting system. The Staff's report brought to a close the latest phase of the SEC's long running exploration of possible adoption of IFRS in the US. That phase began in February 2010, when the Commission reaffirmed its support for the goal of convergence of US generally accepted accounting principles and IFRS, and released a Staff Work Plan that laid out areas of inquiry for the SEC's consideration of the issue. At that time, the SEC indicated it aimed to make a decision on adoption of IFRS by 2011 (a target it obviously did not meet).

The report concluded that adoption of IFRS as the US system of accounting standards was not favored by the vast majority of participants in the US capital markets. The Staff did find support for exploring other methods of incorporating international standards. This may include the so-called "condorsement" approach outlined by the staff in 2011. Under condorsement, US GAAP and IFRS would remain separate systems but the Financial Accounting Standards Board would adopt international standards over time.

It remains to be seen what the Commission will do next concerning IFRS.

Not coincidentally, Friday the 13th was the last day for SEC Chief Accountant James Kroeker. Deputy Chief Accountant Paul Beswick has been appointed Acting Chief Accountant.