

SEC Encourages Adoption of Global Accounting Standards

March 9, 2010

Dear clients and friends:

On February 24, 2010 the Securities and Exchange Commission (SEC) issued a **statement** that supports the adoption of what it calls “high quality globally accepted accounting standards” for U.S. public companies, adding that it believes such standards would benefit investors.

The **SEC** directed its staff to execute a Work Plan that would aid the SEC in determining the impact of implementing International Financial Reporting Standards (IFRS) for US issuers. The Financial Accounting Standards Board and the International Accounting Standards Board are engaged in convergence projects through 2011.

If, next year, the two accounting standard-setters complete their convergence projects and the SEC staff completes its Work Plan, the SEC would decide on whether to incorporate IFRS standards into the U.S. financial reporting system.

The SEC’s statement is a follow-up to a **Proposed Roadmap** it issued in 2008, that would have possibly allowed for the use of IFRS as early as 2014.

In a February 24 **news release**, the SEC said some commenters on that proposal expressed a view that U.S. companies would need a four-to-five year timeframe to implement a change in their financial reporting systems. Thus, the SEC now expects that 2015 would be the earliest when U.S. companies would be required to report under a new system.

The SEC said its Work Plan will consider “the impact on issuers, both large and small, including changes to accounting systems, changes to contractual agreements, corporate governance considerations and litigation contingencies.”

If you would like additional information on the SEC’s February 24 statement and the possible adoption of international accounting standards, do not hesitate to contact us at (305) 373-5500.

Sincerely,



Frank Gonzalez, CPA/CFE
fgonzalez@mbafcpa.com

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MORRISON BROWN ARGIZ & FARRA, LLP

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PUBLIC COMPANY ADVISORY

Our SEC Team:



Frank Gonzalez, CPA/CFF
fgonzalez@mbafcpa.com



Emilio Escandon, CPA
eescandon@mbafcpa.com



Yvette Garcia, CPA
ygarcia@mbafcpa.com



Steven Morrison, CPA
smorris@mbafcpa.com