

IR-1 Resolution Accepting White Paper on International Accounting

WHEREAS, Since from at least 2002, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) have had a public commitment to making their existing financial reporting standards as fully compatible as soon as practicable; and

WHEREAS, Two-thirds of U.S. investors own securities issued by foreign companies that report their financial information using International Financial Reporting Standards (IFRS); and

WHEREAS, On November 14, 2008, the Securities and Exchange Commission (SEC) issued for comment a Roadmap it proposes using when reaching a decision in 2011 as to whether to mandate the use of international accounting and reporting standards for all U.S. companies beginning in 2014; and

WHEREAS, There are a number of important differences between current U.S. generally accepted accounting principles (GAAP) and international accounting and reporting standards; and

WHEREAS, A survey of members of the Institute of Certified Public Accountants (AICPA) indicated that most think that a three to five year period will be required to prepare for the transition from GAAP to IFRS; and

WHEREAS, The Staff Subcommittees on Accounting and Finance and International Relations have prepared a white paper on International Accounting that provides background on the possible transition to IFRS and identifies a number of issues that regulators may have to consider should the SEC mandate the use of IFRS for U.S. companies; now, therefore be it

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 2009 Winter Committee Meetings in Washington, D.C., commends the staff for their work on this white paper, and directs that it be available from NARUC's Washington office as an official NARUC document.

*Sponsored by the Committee on International Relations
Adopted by the NARUC Board of Directors February 18, 2009*