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G-20 Leaders Call for a Single Set of High-Quality, Global Accounting Standards by 2011

The leaders of the Group of 20 (G-20) called on international accounting standard setters to redouble their efforts to achieve a single set of high-quality, global accounting standards through their independent standard-setting processes and complete their convergence project by June 2011.¹ They also asserted that the International Accounting Standards Board (IASB), through its institutional framework, should further enhance the involvement of stakeholders.²

The G-20 leaders made their statement following the conclusion of the Pittsburgh Summit held September 24 and 25. A declaration issued by the leaders of the G-20 after their London meeting in April 2009 asked accounting standard setters to work urgently with supervisors and regulators to achieve a single set of high-quality, global accounting standards and meet deadlines outlined in the Action Plan.³

In preparation for the Pittsburgh Summit, the G-20 Finance Ministers called for convergence towards a single set of high-quality, global accounting standards on financial instruments, loan-loss provisioning, off-balance sheet exposures, and the impairment and valuation of financial assets. In addition, the Chairman of the Trustees of the International Accounting Standards Committee Foundation (IASCF) issued a letter that details the progress that the IASCF and the IASB have made in response to the G-20 recommendations made in London at the April 2009 Summit and the Washington Summit in November 2008.⁴

In a press briefing at the Pittsburgh Summit, U.S. Treasury Secretary Tim Geithner highlighted the important role of the Financial Stability Board, which brings together central banks, finance ministers, supervisors, and capital market regulators such as the SEC, to forge a consensus on

¹ The G-20 is composed of the leaders of the largest economies of the world and is the premier forum for international economic cooperation.

² The Pittsburgh Summit 2009, Leaders' Statement, Strengthening the International Financial Regulatory System, paragraph 14, available at www.pittsburghsummit.gov/mediacenter/129639.htm.

³ The London Summit 2009, April 2, The Global Plan for Recovery and Reform, paragraphs 15-16, available at www.londonsummit.gov.uk.

⁴ Chairman of Trustees of the IASC Foundation Letter to The Honourable Barack Obama, 15 September 2009, available at www.iasb.org.



global accounting standards.⁵ This collaborative approach was also identified by the Financial Crisis Advisory Group, which noted the need for the IASB and FASB to work with prudential regulators in the development of accounting standards while maintaining an investor focus in its standard-setting activities.⁶

In response to the calls for the development of a single set of high-quality, global accounting standards, SEC officials recently said that the SEC is likely to consider responses to its proposed roadmap for the potential use of International Financial Reporting Standards (IFRS) in the U.S. before the year's end.⁷ The SEC currently permits foreign private issuers to use IFRS as issued by the IASB without a reconciliation to U.S. GAAP in filings with the SEC.

The descriptive and summary statements in this newsletter are not intended to be a substitute for the text of any of the cited documents or any potential or actual requirements. Those accounting for specific transactions or filing reports with the SEC should refer to the texts of the applicable documents that set out GAAP, IFRS, and SEC requirements, consider their particular circumstances, and consult their accounting and legal advisors.

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⁵ Press Briefing by Treasury Secretary Tim Geithner on the G-20 Meeting, September 24, 2009, available at www.whitehouse.gov.

⁶ Report of the Financial Crisis Advisory Group, available at www.fasb.org.

⁷ SEC Release No. 33-8982, Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers, available at www.sec.gov.