



Press release



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IASB and FASB create advisory group to review reporting issues related to credit crisis

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) today announced that they will create a global advisory group comprising regulators, preparers, auditors, investors and other users of financial statements. The advisory group will help to ensure that reporting issues arising from the global economic crisis are considered in an internationally co-ordinated manner.

At their forthcoming joint meeting on 20 and 21 October, the boards will discuss the initial topics for the advisory group to consider. They will also discuss how they can appoint the group and schedule its first meeting expeditiously. The boards will report on the first meeting and will consider the group's discussions immediately thereafter.

In developing their approaches on issues resulting from the discussions the boards will follow appropriate due process. In the interest of transparency, the advisory group will meet in public session with Webcasting facilities available to all interested parties.

Sir David Tweedie, chairman of the IASB, said:

Recent statements from the G7 and other world leaders highlight the need for an internationally co-ordinated policy response to the credit crisis. The IASB has acted quickly to issue amendments on reclassifications, fair value measurement guidance for illiquid markets, and disclosures. We are pleased that the European Union has acted quickly to accept our amendments on reclassifications. The new advisory group will help the boards to develop rapidly a co-ordinated response to the economic crisis, and will provide additional global perspective to both standard-setting organisations as we address the increasingly complex issues that investors are facing.

Robert Herz, chairman of the FASB, said:

Ongoing developments in the global financial crisis and actions by governments and regulators are reshaping the financial markets here and around the world. All of this

is likely to raise important issues in financial reporting, both here in the US and across the international capital markets. The advisory group that we and the IASB are establishing is aimed at helping both boards identify reporting issues arising from ongoing developments in the global financial markets so that we can develop common solutions that promote sound reporting and enhance transparency.

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Notes for editors

About the IASB

The IASB was established in 2001 and is the standard-setting body of the International Accounting Standards Committee (IASC) Foundation, an independent private sector, not-for profit organisation. The IASB is committed to developing, in the public interest, a single set of high quality, global accounting standards that provide high quality transparent and comparable information in general purpose financial statements. In pursuit of this objective the IASB conducts extensive public consultations and seeks the co-operation of international and national bodies around the world. Its 14 members (12 of whom are full-time) are drawn from nine countries and have a variety of professional backgrounds. They are appointed by and accountable to the Trustees of the IASC Foundation, who are required to select the best available combination of technical expertise and diversity of international business and market experience.

About the Financial Accounting Standards Board

Since 1973, the US Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors and others rely on credible, transparent and comparable financial information. For more information about the FASB, visit its Website at www.fasb.org.