

ROSS ROUNDTABLE

on

International Accounting Standards: Where Is The U.S.A?

Date & Time: Monday, March 8, 2004 from 4:00pm to 6:00pm

Location: New York University
Leonard N. Stern School of Business
44 West 4th Street
Kaufman Management Center
Cantor Boardroom, 11th floor (11-75)
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Roundtable Coordinator:
Frederick D.S. Choi, Vice Dean & Dean Undergraduate College

Roundtable Theme:

Multinational companies have grown dramatically in size and importance along with the cross-border explosion of trade over the last 50 years. Such activity affects virtually every country in the world. Most agree that the complexity of reporting financial results internationally based on different reporting standards, business customs and regulations, and related tax laws not only impedes growth and the flow of capital but increases the cost and related difficulty of doing business on a worldwide scale. The increasing need of financial statement users to compare information from different countries is a driving force behind the quest for international accounting standards.

As a result of sustained international efforts through the years, certain reporting disparities have narrowed or disappeared. Growing numbers of companies are voluntarily adopting International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB). Many countries have adopted IFRS in their entirety, base their national standards on IFRS or permit their use. The European Commission (EU) has proposed legislation that will require all EU listed companies to prepare consolidated accounts

in accordance with IFRS by 2005. But where is the U.S. on this issue and what is holding it back? To date the SEC does not accept IFRS as a basis for financial statements filed by companies listing on U.S. stock exchanges. At the same time, pressure to improve the access of U.S. markets to non-U.S. issuers is mounting.

This roundtable will examine the following issues and questions concerning the current state of harmonization in the U.S.

1. What steps are being taken, or should be taken, by U.S. authorities (the SEC, FASB, PCAOB) with respect to the adoption of international accounting standards promulgated by the IASB?
2. Should international accounting standards permit variations based on national or local custom or usage?
3. Can such matters as inflation accounting and foreign exchange reporting methods, primarily affecting developing countries, effectively be harmonized?
4. Has reconciliation of foreign accounting standards to U.S. GAAP been adequate in foreign company filings with the SEC?
5. What effect would harmonization under one set of standards have on promoting certain social goals implicit in various foreign standards, such as the establishment of reserves to counteract business cycle swings?

There are, of course, other questions surrounding the universal adoption of international accounting standards. We expect our participants to address such questions and sort out proposals which are likely to be most useful.

The Ross Roundtable provides a forum for "public opinion shapers" -- business writers, financial analysts, educators, corporate financial executives, regulators, etc. -- to discuss with policymakers important developments in capital markets and the financial world. To provide ample opportunity for participants to voice their opinions, the size of the Roundtable is limited.



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