
Final Staff Report

【S E C最終レポートからの引用】
I. Executive Summary

This final Staff paper (“Final Staff Report”) represents a summary of what the Staff has learned in the areas covered by the Work Plan regarding the potential impact of any incorporation of IFRS into the financial reporting system for U.S. issuers.

The purpose of the Work Plan is to consider specific areas and factors relevant to a Commission determination as to whether, when, and how the current financial reporting system for U.S. issuers should be transitioned to a system incorporating International Financial Reporting Standards (“IFRS”).

2010ワークプランの目的は、IFRS導入の要否、時期及び方法の検討

A. Methodology

In executing the Work Plan, the Staff gathered information using a variety of methods, including, but not limited to:

- performing research
- seeking comment from market place participants
- considering academic research
- researching the experiences both of other jurisdictions and of foreign private issuers

B. Focus of the Staff’s Work

It became apparent to the Staff that pursuing the designation of the standards of the IASB as authoritative was, among other things, not supported by the vast majority of participants in the U.S. capital markets and did not appear to be consistent with the methods of incorporation employed by the other major capital markets around the world.

Staff focused on other methods of potential incorporation, such as an endorsement mechanism or continued convergence of accounting standards issued by the Financial Accounting Standards Board (“FASB”) and the IASB.

The basis of the Staff’s decision considered the following three factors:

- その根拠は３つ
① Influence on Standard Setting 基準設定への影響
very few jurisdictions provide for the use of standards issued by the IASB without measures to ensure the suitability of those standards.
そのまま取組む法域は非常に少ない
The reasons can be more technical in nature and, in other instances, stem from the jurisdiction’s desire to maintain some level of control over accounting standard setting for the jurisdiction.
要因は技術的あるいは基準設定主体に対するコントロール維持

② Burden of Conversion 転換の負担
Many of the issuers indicated that the costs of full IFRS adoption easily could be among the most significant costs ever required from an accounting perspective and questioned whether the corresponding direct benefits would justify such a full-scale transition.
発行者はコスト・ベネフィットの観点からコスト負担を疑問視

③ Reference to U.S. GAAP 米基準への参照
U.S. GAAP is embedded throughout laws and regulations and in a significant number of private contracts.
米基準は法令、規制、多くの私的契約から参照

C. Summary Findings 発見事項の要約

1. Development of IFRS IFRSの開発
2. Interpretive Process 解釈プロセス
3. IASB’s Use of National Standard Setters 各国設定主体の利用
4. Global Application and Enforcement 国際的な適用と執行
5. Governance of the IASB ガバナンス
6. Status of Funding 資金拠出状況
7. Investor Understanding 投資者の理解
II. Sufficient Development and Application of IFRS for the U.S. Domestic Reporting System

the Staff believes that an evaluation of whether IFRS is sufficiently developed and applied to be the single set of high-quality, globally accepted accounting standards for U.S. issuers requires consideration of the following areas:

① The comprehensiveness of IFRS
② The comparability of IFRS financial statements within and across jurisdictions
③ The auditability and enforceability of IFRS

B. Comprehensiveness of IFRS

The Staff used a comparative approach in assessing the comprehensiveness of IFRS to provide a context in which to frame its evaluation of IFRS, rather than to establish a minimum threshold of development that must be met for any incorporation of IFRS into the financial reporting system for U.S. issuers.

The differences identified in the GAAP Comparison Paper can be grouped into several broad categories.

① The Boards’ MoU and Other Joint Projects
② Standards with a Similar Objective, that Are Substantially Converged, or Both
③ Fundamental Differences
④ Industry Guidance
1. The Boards’ MoU and Other Joint Projects

The Staff has assessed, and will continue to assess, the Boards’ progress and conclusions reached on the Major Joint Projects separate from its efforts on the Work Plan.

Although the Boards have made significant progress related to a number of the Major Joint Projects, the extent of differences between U.S. GAAP and IFRS that exists today is greater than the Staff would have expected in 2010 when the Commission directed the Staff to embark upon the Work Plan.

The Staff believes that due consideration should be given as to whether, in the absence of more fully converged standards, there are unique issues that should be considered to the extent that differences remain and whether there are any significant impediments to incorporation.

2. Standards with a Similar Objective, that Are Substantially Converged, or Both

The following examples represent some of the more significant areas of similarity between IFRS and U.S. GAAP that were noted by the Staff.

- Business Combinations
- Debt
- Share-Based Compensation
- Compensation – Excluding Share-Based Payments
- Earnings Per Share

3. Fundamental Differences

In the GAAP Comparison Paper, the Staff noted the existence of some more fundamental differences between U.S. GAAP and IFRS.

- Impairment
- Certain Nonfinancial Liabilities
- Measurement of Certain Asset Classes
4. Industry Guidance

U.S. GAAP is a mature body of standards that has been specifically tailored to the needs of the business, reporting, and regulatory environment in the United States over its development.

By contrast, the IASB has not historically issued industry-specific guidance, preferring instead that issuers use its generally-applicable principles.

The amount of industry guidance impacts the comprehensiveness of IFRS, four of the most significant areas, important guidelines are:

1. utilities that engage in rate-regulated activities
2. oil and gas
3. investment companies
4. broker-dealers

C. Comparability Within and Across Jurisdictions

1. Staff Analysis of IFRS in Practice

The Staff analyzed the fiscal 2009 annual consolidated financial statements of 183 companies, including both SEC registrants and companies that are not SEC registrants, which prepare financial statements under IFRS, 22 countries and 36 industries.

Two themes that emerged from the Staff’s analysis:

1. First, the transparency and clarity of the financial statements in the sample could be enhanced. In some cases, the disclosures also raised questions as to whether the company’s accounting complied with IFRS.
Second, diversity in the application of IFRS presented challenges to the comparability of financial statements across countries and industries.

The Staff’s recent interaction with other regulators indicates an increased focus by regulators on facilitating consistent application across jurisdictions.

The Staff has considered carefully the effect that the IASB’s objective for less prescriptive standard setting could have on any incorporation of such standards in the United States, including whether it would be desirable or necessary for the FASB, SEC, or others to provide interpretive guidance to minimize diversity among companies filing within the U.S. capital markets.

D. Auditability and Enforceability

Evaluating the auditability and enforceability of IFRS proved to be one of the most difficult parts of the Work Plan.

The Staff observes that the difference between principles- and rules-based standards is not always clear.

The FASB has recently trended toward issuing objectives-based standards that require greater judgment to be exercised in application.

The Staff’s outreach indicated that large public accounting organizations could improve processes to facilitate greater cross-border comparability of IFRS.
3. Enforcement and Compliance  執行と準拠

The Staff’s research highlights that accounting standards are not the only factor influencing comparability of financial statements. Other factors, such as the enforcement structure of a jurisdiction, can greatly impact comparability.

The Staff has determined that enforcement structures around the world differ widely by jurisdiction.

CESR (EU, ESMA (previously CESR) noted that a full review was performed on 1,200 companies and a partial review was performed on 900 companies during 2009 (17% of listed (public) companies in Europe).

For 2010, ESMA reported that the numbers of reviewed companies had declined somewhat, with full reviews performed on 1,000 companies (15%) and partial reviews performed on 700 companies (10%).
By comparison, for the fiscal year ended September 30, 2009, DCF conducted reviews on 4,720 issuers (40% of total issuers),

For the fiscal year ended September 30, 2010, DCF conducted reviews of 4,575 existing issuers (44%)

The EU and DCF review data illustrates differences in the review practices by a jurisdiction that could give rise to less consistency in the enforcement of IFRS financial statements.

4. International and Other Regulatory Bodies

The Staff has identified the following mechanisms that may contribute to more consistent enforcement of IFRS financial statements:

- **IOSCO** 証券監督者国際機構
- **Regional bodies** 各地域団体

In the Asia-Oceanic region, the accounting standard setters formed the Asian-Oceanian Standard-Setters Group (“AOSSG”) in 2009.
III. Independent Standard Setting for the Benefit of Investors

the Work Plan focused on four areas in particular:

① Oversight of the IFRS Foundation
② Composition of the IFRS Foundation and the IASB
③ Funding of the IFRS Foundation
④ IASB standard-setting process

In general, the Staff found the overall design of the governance structure of the IFRS Foundation to strike a reasonable balance of providing oversight of the IASB while at the same time recognizing and supporting its independence.

B. Overview of the IASB’s Governance Structure

The IASB is a private standard-setting body that is responsible for the development of IFRSs.

The governance structure for the IASB is a three-tier structure. The IASB is overseen by the IFRS Foundation, private-sector organization governed by 22 Trustees.

The current members of the Monitoring Board are:

- the Emerging Markets and Technical Committees of IOSCO
- the European Commission (“EC”)
- Financial Services Agency of Japan (“JFSA”)
- the Commission
C. Background on IFRS Foundation Trustee and Monitoring Board Reviews
評議員会及びMBのレビューの背景

1. Trustees’ Strategy Review 評議員会の戦略レビュー
The Trustees published their final report in February 2012.
評議員会：2012年2月、最終レポート公表
The Trustees noted that the IASB’s due process should continue to be reviewed and
regularly enhanced. The Trustees outlined several specific recommendations to build on the
existing due process framework and to support the IFRS Foundation’s interest in consistent
application of IFRSs.
IASBデュー・プロセス見直し・強化に評議員会が具体的提言

2. Monitoring Board’s Governance Review MBのガバナンス・レビュー
The Monitoring Board published its final report in February 2012.
MB：2012年2月、最終レポート公表
The Monitoring Board decided to increase the size of its membership and to include as
criteria for membership on the Monitoring Board the “domestic use of IFRS in the relevant
jurisdiction and financial contribution by the jurisdiction to the setting of IFRSs.”
メンバー増員、メンバー要件“国内でのIFRS使用及び財政的拠出”をMBが決定

D. Oversight of the IFRS Foundation 監督

2. Composition of the Monitoring Board MBの人員構成
the Monitoring Board has concluded that full membership should continue to be confined to
that group of authorities. MBはメンバーを資本市場当局に限定（継続）

E. Composition of the IFRS Foundation and the IASB
IFRS財団とIASBの人員構成

1. IFRS Foundation Trustee Composition and Duties 評議員会の構成・職務
The IFRS Foundation is currently governed by 22 trustees
IFRS財団：22名の評議員
six of the Trustees must be selected from the Asia/Oceania region, six from Europe, six
from North America, one from Africa, one from South America, and two from any area,
アジア・オセアニア、欧州、北米：各6名、アフリカ、南米：1名、任意の地域：
2名 選出
3. Trustee Involvement in the Standard-Setting Process
評議員会の基準設定プロセスへの関与

In July 2011, the IASB launched its first formal public agenda consultation on its future work plan.

Many respondents to the 2011 Agenda Consultation expressed the view that the current scope of the IASB’s post-implementation reviews is too narrow and should be expanded to consider issues such as whether or not the objective of the IFRS was achieved and whether the IFRS or major amendment has resulted in more useful information for investors and other users.

The Staff notes that post-implementation reviews of FASB standards are conducted by the FAF, and the process is designed to be independent of the FASB’s standard-setting process.

The Staff believes the IFRS Foundation and Trustees should consider altering the reporting structure for post-implementation reviews of IFRSs.

The Staff believes that the staff working on the post-implementation reviews should report directly to the Trustees rather than the IASB.

4. Composition of the IASB  IASBの構成

The IASB is currently composed of 14 full-time members.

Trustees must ensure a geographical mix on the IASB, with four members drawn from each of the Asia/Oceania region, Europe, and North America; one member from South America; one member from Africa; and two members from any area.

b. Post-Implementation Reviews  適用後レビュー

the IASB, rather than the Trustees, is responsible for carrying out post-implementation reviews of new IFRSs and major amendments.
F. Funding of the IFRS Foundation 資金調達

the Staff recognizes that the United States has a significant interest in the stable funding of the IFRS Foundation.

the Trustees described a global funding system that has the following features, consistent with the four principles outlined.

① Long-term commitment 長期の約束
② Public sponsorship 公的資金援助
③ Flexibility 柔軟性
④ Proportionality: Funding should be shared by the major economies of the world on a proportionate basis, using GDP as the determining measure 比例制
⑤ Public accountability 公的説明責任

4. Approaches in Other Jurisdictions to Contribute to the IFRS Foundation 他の法域における资金拠出アプローチ

three out of four countries reported by the IFRS Foundation as permitting or requiring some form of IFRS provide no monetary funding.

the number of jurisdictions from which organizations made contributions dropped from 31 to 25.

5. Contributions by the Large Accounting Firms 大手会計事務所による資金拠出

In its 2012 budget, the IFRS Foundation continues to rely significantly on voluntary contributions from the large accounting firms. Contributions from the largest accounting firms were expected to be approximately 25% of the 2012 collections.

the continued reliance by the IFRS Foundation on funding from the largest accounting firms will continue to cause concerns as to the adequacy and independence of the IASB’s funding model.
G. IASB Standard-Setting Process

2. IASB’s Standard-Setting Process

The Staff monitors all of the IASB’s standard-setting projects, other than efforts related to IFRS for small and medium-sized entities (“SMEs”).

For projects that are conducted jointly by the Boards, the Staff listens to all public meetings and education sessions.

The Staff also listens to public IASB meetings and education sessions.

The Staff reviews all IASB discussion papers and exposure drafts and participates in IOSCO’s Committee 1 to provide comment letters to the IASB.

The Staff also periodically discusses IASB and joint IASB-FASB standard-setting projects with IASB.

The Staff attends meetings of the IFRS Advisory Council and the IFRS IC as an occasionally also attends IASB project-specific advisory group meetings as an observer.

6. Observations on IASB’s Standard-Setting Process

a. Pre-eminence of Investors

It is more difficult for the Staff to evaluate whether the views of investors as a single constituency are appropriately considered by IASB members when they deliberate or re-deliberate standards under development.

In the Staff’s experience, investors typically do not have a single view on an issue and, therefore, it is difficult to evaluate how Board members weigh differing views of investors.

b. Timeliness
address emerging issues.

**d. Consideration of Impact of IFRS Incorporation**

The Staff considered whether any concerns derived from the various observations on the IASB standard-setting process, particularly regarding the pre-eminence of investors and timeliness, could be significantly impacted by the method of incorporation.

For instance, the FASB, to the degree that it acts as an endorser of IFRS for the U.S. financial reporting system, may be able to mitigate many of these concerns. The FASB, as a national standard setter, may be able to assist in mitigating concerns regarding the timeliness of standard setting in one or more ways by assisting with individual projects for which it has expertise, performing outreach to U.S. investors for individual projects, identifying areas in which there is a need to narrow diversity in practice or issue interpretive guidance, and assisting with post-implementation reviews. Further, the FASB’s experience as a standard setter in the United States can be used to maintain focus on the needs of U.S. investors and help in identifying and addressing emerging issues in a timelier manner.
IV. Investor Understanding and Education Regarding IFRS

U.S. investors’ support for IFRS is generally conditional. 米国投資家のIFRS支持は条件付
For example, investors have generally emphasized that they are not willing to sacrifice quality in order to achieve international convergence of accounting standards, and some have expressed concerns about the IASB and its standards. 品質の犠牲なし

One of the primary concerns expressed by investors relates to the approach and timeliness of the IFRS IC, 主な懸念の1つはIFRS ICのアプローチ・適時性
investors raised concerns about aspects of the IASB’s current infrastructure, 現在のインフラに懸念

(1) lack of independence of the IASB’s funding 資金調達の独立性
(2) lack of investor participation on the IASB and IFRS Foundation 投資者不足
(3) potential for political interference in the standard-setting process 政治的干渉

The Staff found there appears to be a wide spectrum of investor knowledge of IFRS the majority of investors that the Staff has contacted or that have commented directly to the Staff do not have much familiarity with IFRS. 投資家の習熟度にばらつき
V. Regulatory Environment

Any decision by the Commission to incorporate IFRS into the U.S. financial reporting system would have a potentially significant impact on the U.S. regulatory environment. The Commission recognized that a decision to incorporate IFRS may have far-reaching effects, including on entities and regulators (and their regulations) beyond the Commission’s purview.

The Staff examined the following regulatory matters:

1. Manner in which the SEC fulfills its mission
2. Industry regulators
3. Federal and state tax impacts
4. Statutory dividend and stock repurchase restrictions
5. Audit regulation and standard setting
6. Broker-dealer and investment company reporting
7. Public versus private companies

The extent to which the Commission’s incorporation of IFRS would impact the regulatory environment is largely dependent on the method by which IFRS would be incorporated.

Regulators other than the SEC have consistently noted the number and significance of U.S. GAAP references in federal and state laws, in regulatory requirements and guidance, and in contracts. These regulators have expressed that incorporating IFRS into the U.S. financial reporting system through U.S. GAAP by incorporating the content of IFRS into U.S. GAAP—may address or mitigate a number of significant issues that could otherwise be problematic for their regulatory regimes.

Several regulators highlighted that U.S. GAAP contains industry-specific standards which, if lost, would impair their regulatory regime (in addition to providing less meaningful information to investors).
VI. Impact on Issuers

Incorporation of IFRS into the financial reporting system for U.S. issuers would significantly affect preparers of financial statements—including approximately 10,000 issuers that file reports with the Commission.

Issuers generally supported the objective of a single set of high-quality, globally accepted accounting standards. However, the views varied based on the size of the issuer, with larger issuers generally being more supportive as compared to smaller issuers.

Changes required as a result of the implementation of different accounting standards can be both resource intensive and costly and, with the number of priority Major Joint Projects expected to be completed over the next 18 months, many users expressed a concern about how much change the financial reporting system could absorb.

more issuers preferred a managed transition over time effected by the FASB incorporating IFRS into U.S. GAAP.

VII. Human Capital Readiness

The level of preparedness for a transition to IFRS varies widely

The amount of time and effort that would be needed for issuers to transition will be significantly impacted by the method by which IFRS is incorporated into the U.S. financial reporting system.