



31st Annual Conference of
The International Organization of Securities Commissions (IOSCO)

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Hong Kong

**Panel 1: International Financial Reporting Standards (IFRS)
– Initial Experiences**

Lars Østergaard

*Director
Danish Financial Supervisory Authority, Denmark*



IOSCO
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Panel 1
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Initial Experiences with IFRS

An enforcer's point of view

Lars Østergaard
Director
Danish Financial
Supervisory Authority



The European Perspective

- EU Regulation on IFRS
 - consolidated accounts of listed companies
 - 1 January 2005
- CESR – Coordinator of Enforcement
 - CESR-Fin and its subcommittees
 - CESR Standard No. 1 on Enforcement
 - investor protection
 - detect infringements
 - take appropriate action
 - not a standard setter
- CESR Standard No. 2 on Coordination of Enforcement
 - Enforcers Data Base
 - European Enforcers Coordination Sessions



European Enforcers Coordination Sessions

- raison d'être
 - discussion of decisions taken
 - ex ante as well as post
 - positive as well as negative decisions
 - influence on future decisions
 - discussion of emerging issues
 - exchange of experiences on enforcement of IFRS
- meetings
 - 10 meetings a year
 - all enforcers requested to participate
 - discussed 46 decisions and 40 emerging issues
- different traditions of enforcement



First experiences with IFRS

- still early days
 - enforcers are at the end of the pipe line except for pre-clearances
- different national GAAPS
 - rules based vs principles based
 - varying degrees of differences from IFRS
- CESR is going to issue a report on first experiences
- the transition to IFRS difficult, but managable



The Danish perspective

- Danish GAAP for financial companies “IFRS-compatible”
 - less options
- used to the use of fair values
- fair values give more relevant information
- more difficult to enforce
 - more judgemental aspects
 - disclosure on measurement models and assumptions is of essence



Danish perspective

- more influence on the standards from the users of financial statements
- less options (explicit as well as implicit)
- supportive of the fair value project
- more application guidance ?



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