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International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

IOSCO/MR/017/2008

Madrid, 21 October 2008

IOSCO Technical Committee Statement on Accounting Standards Development and Enforcement

The Technical Committee of the International Organization of Securities Commissions (IOSCO) following discussions of the important role of accounting standards in the context of the current financial crisis, and in light of the importance of financial reporting standards to the proper functioning of the capital markets, has come together as a community of authorities responsible for capital markets and accounting to reaffirm its commitment to the development and enforcement of high quality accounting standards.

Accounting standards for public companies must provide clear, accurate and useful information to investors to allow them to make informed investment decisions. Furtherance of this goal promotes investor confidence in financial statements and capital markets. We strongly support accounting standards that afford investors transparency, maintain market integrity, facilitate capital formation and are consistent with financial stability.

The job of developing and maintaining high quality standards that provide transparency to investors relies to a critical extent on independent accounting standards setters. In this connection, we support the International Accounting Standards Board (IASB) and Financial Accounting Standards Board's (FASB) announced joint action to address issues related to the credit crisis pursuant to an accelerated due process. We welcome their willingness to seek input from all stakeholders and applaud their efforts to work together, with speed and rigor, in identifying high quality global solutions. We also acknowledge important steps taken by the Accounting Standards Board of Japan and the Canadian Accounting Standards Board with regard to fair valuation measurement and reclassification of assets.

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High quality standards are most likely to be developed if standard setters are able to exercise independent judgment, relying on their skills, experience and due process. In this light, we stand ready as a community of capital market authorities to support accounting standards setters in their roles. In this context, we strongly support the efforts of the International Accounting Standards Committee Foundation Trustees to enhance their, and the IASB's, accountability, legitimacy and independence.

We also support the proposition that global markets require a coordinated approach, particularly in the context of a crisis. We confirm our support for coordinated implementation of the standards produced by standards setters and for the cooperative enforcement of those standards.

NOTES FOR EDITORS

1. The International Accounting Standards Committee Foundation is the private foundation that provides public interest oversight to the IASB which promulgates International Financial Reporting Standards (IFRS).
2. IOSCO is recognized as the leading international policy forum for securities regulators. The organization's wide membership regulates more than 90% of the world's securities markets and IOSCO is the world's most important international cooperative forum for securities regulatory agencies. IOSCO members regulate more than one hundred jurisdictions and the Organization's membership is steadily growing.
3. The [Technical Committee](#), a specialised working group established by IOSCO's Executive Committee, is made up of fifteen agencies that regulate some of the world's larger, more developed and internationalized markets. Its objective is to review major regulatory issues related to international securities and futures transactions and to coordinate practical responses to these concerns. Mr. Christopher Cox, Chairman of the US Securities and Exchange Commission is the Chairman of the Technical Committee. The members of the Technical Committee are Australia, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Ontario, Quebec, Spain, Switzerland, United Kingdom and the United States.
4. IOSCO aims through its permanent structures:
 - to cooperate together to promote high standards of regulation in order to maintain just, efficient and sound markets;

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- to exchange information on their respective experiences in order to promote the development of domestic markets;
- to unite their efforts to establish standards and an effective surveillance of international securities transactions;
- to provide mutual assistance to promote the integrity of the markets by a rigorous application of the standards and by effective enforcement against offenses.

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