

# IFRS Implementation

**Q:** I have heard that the accounting standards in the U.S. may change to International Financial Reporting Standards ("IFRS"). What is the timetable for implementation and how might this impact my company?

**A:** The SEC has established a preliminary road map for conversion to IFRS, with 2014 a likely deadline for mandatory compliance among publicly traded companies and earlier conversion for some companies on a voluntary basis. Currently there are no mandatory compliance requirements for private companies; however, the continued globalization of business, the transformation of college curriculums, the retraining of the accounting profession, and expectations from stakeholders may eventually render accounting principles generally accepted in the United States of America obsolete in the not too distant future. The impact of converting to IFRS will be significant, impacting everything from financial and tax reporting to information systems and internal process and procedures. Since a company's financial statements will change significantly, management should be prepared to explain such changes to investors. The measurement and presentation of various performance indicators will also change, possibly resulting in the need to renegotiate bank covenants. Due to the widespread impact that these changes will have on a company, careful planning will be required to ensure enough time and resources are available to accomplish a successful conversion.

If you have questions regarding the potential impact of IFRS on your business, please contact:



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