



IFRS Readiness Tracking Survey

October 2009



Survey Background

- Semi-annual survey
 - Conducted 9/9 through 9/28, 2009
 - 1260 responses – 1132 qualified (BI or Public Practice member)
 - 128 from Public Companies
 - 230 from Private Companies
 - 50 from Foreign Companies
 - 28 from Not for profit or educational institutions
 - 698 from Public Practice
- In addition to tracking questions, contains a number of questions unique to this survey
- Measures members readiness to implement IFRS
- Provides information on their views surrounding other issues related to IFRS adoption
- Provides planning information for CPE and products

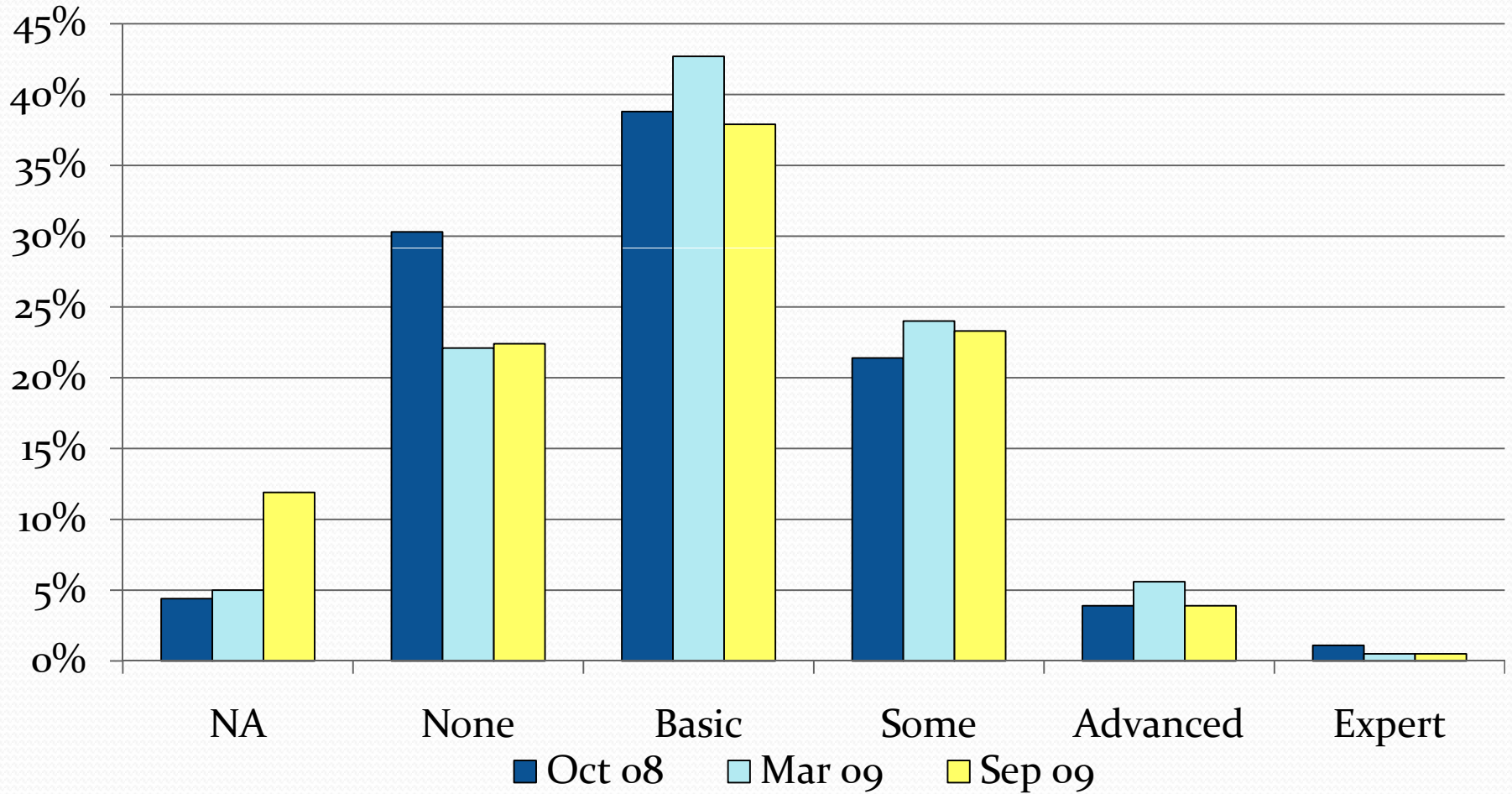


Key Messages from IFRS Readiness Survey September 2009

- Familiarity with IFRS has remained fairly stable since March 2009,
 - However the number of public practice and private company respondents who don't believe they need IFRS knowledge has increased
 - The number of all respondents who believe they need advanced or expert knowledge has also decreased.
- Companies have made little progress in moving toward adoption
 - Respondents indicated they are delaying implementation why waiting for SEC action
- Members support
 - Self-contained accounting standards for private companies
 - Adoption of IFRS, although convergence is desired first
- Large majorities want the SEC to announce plans for IFRS before the end of 2009
- Only about half of respondents were aware of the recent announcement of IFRS for SMEs

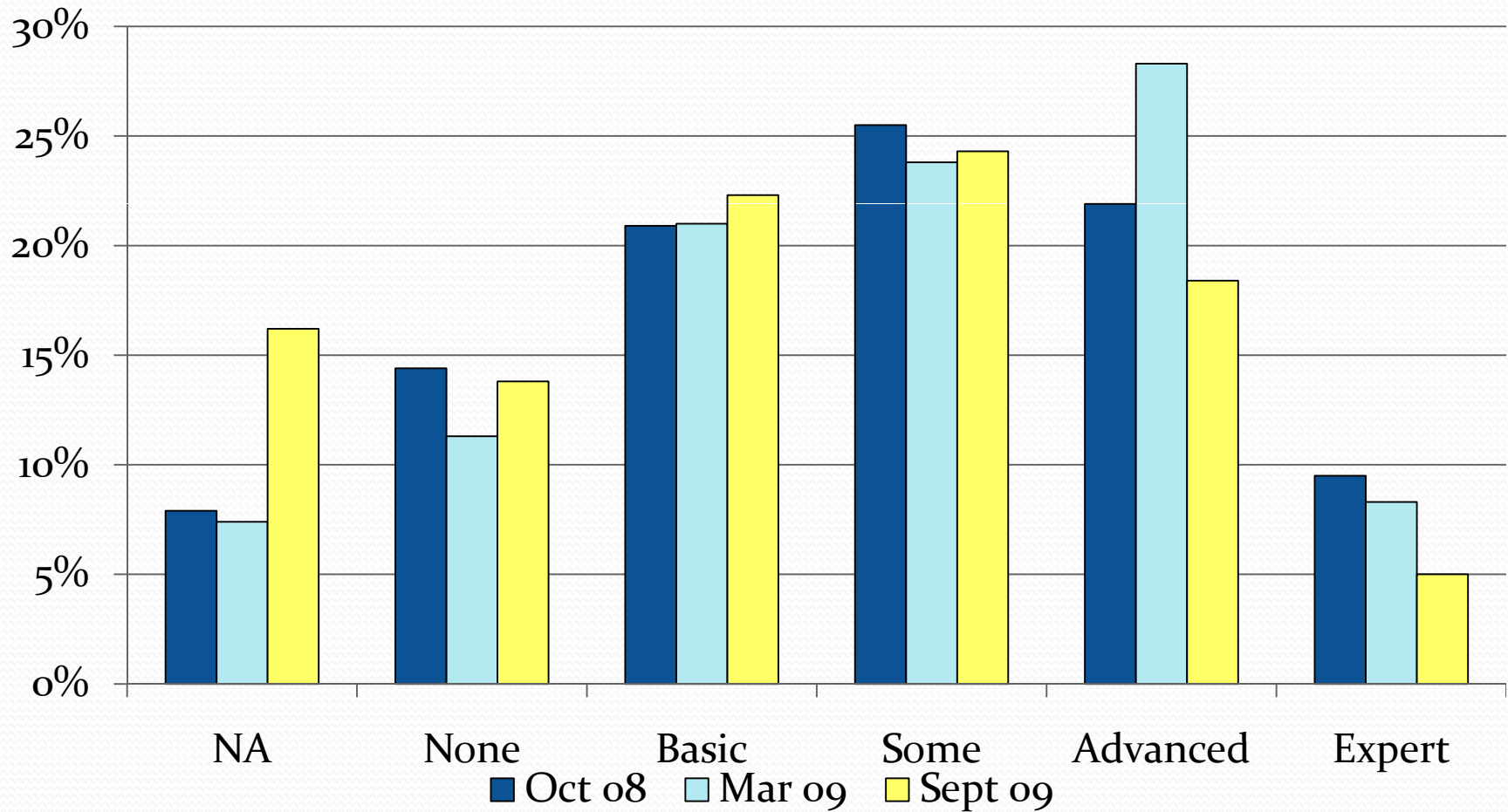
Current Familiarity with IFRS

All Members



Needed Familiarity with IFRS

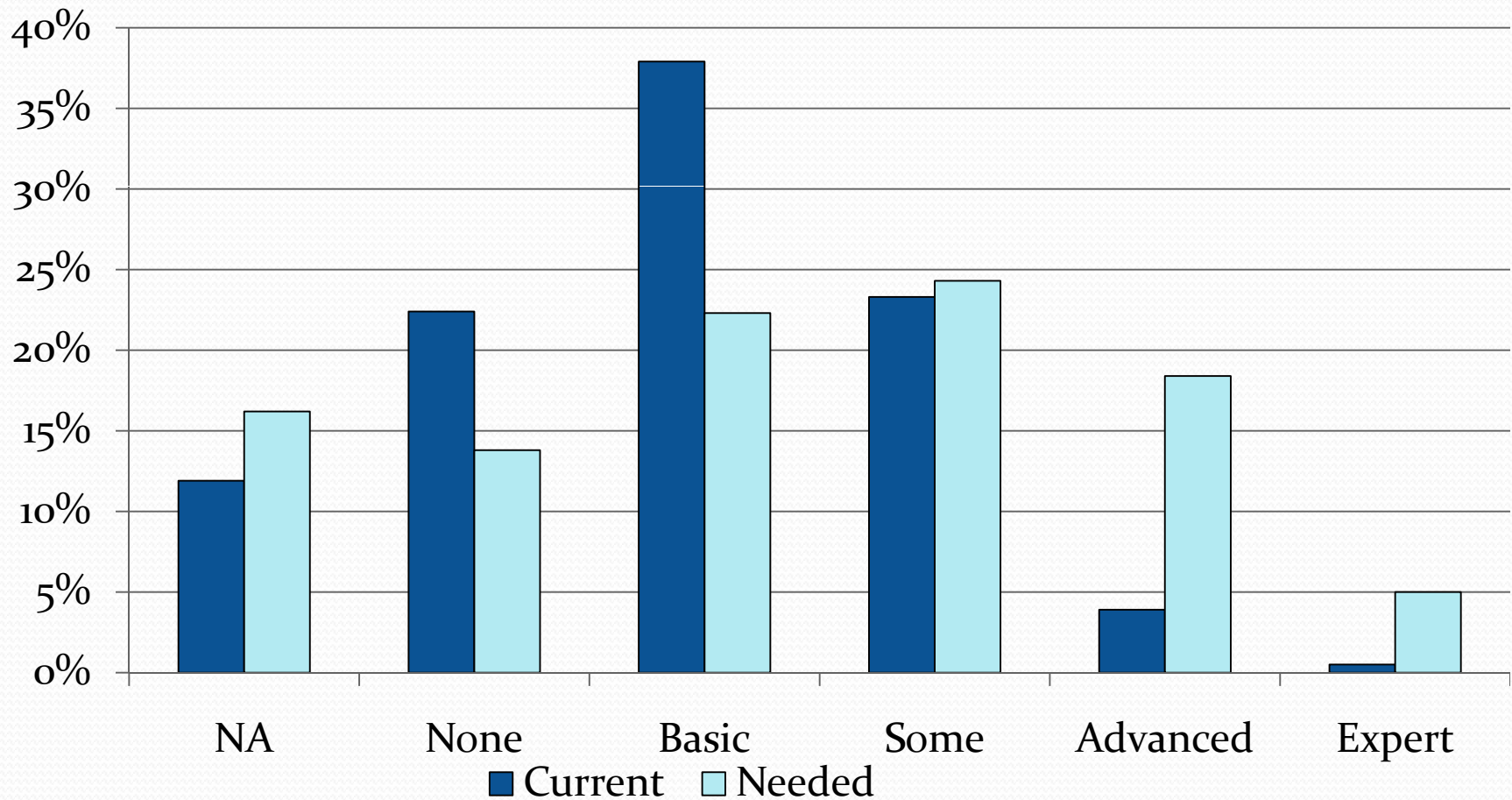
All Members



Familiarity with IFRS

Current vs Needed

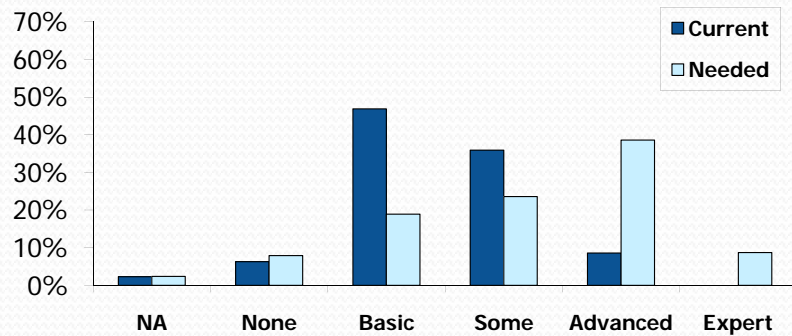
All Members



Familiarity with IFRS

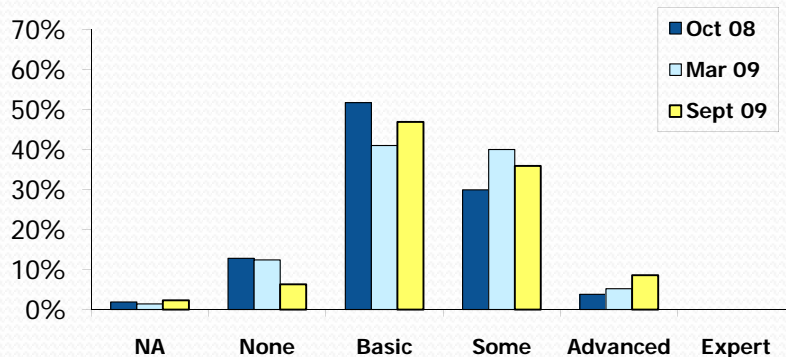
US Public Co Members

Current vs Needed

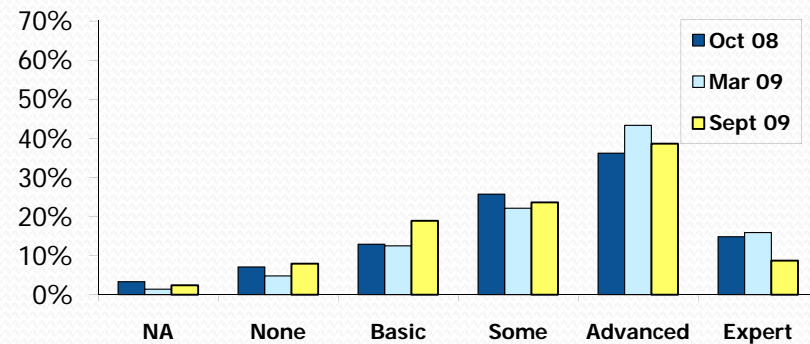


- Members who work for US Public Co's are more likely to need advanced or expert levels of familiarity but few have it.
- However the overall familiarity of the members has continued to increase (although the March to Sept increase is not statistically significant)
- Expectations for Needed Familiarity are fairly stable

Current Familiarity



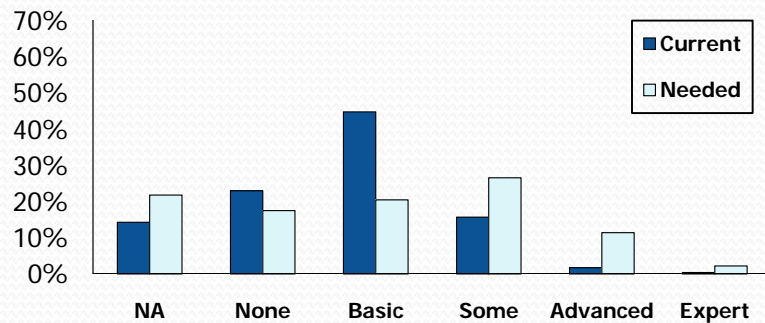
Needed Familiarity



Familiarity with IFRS

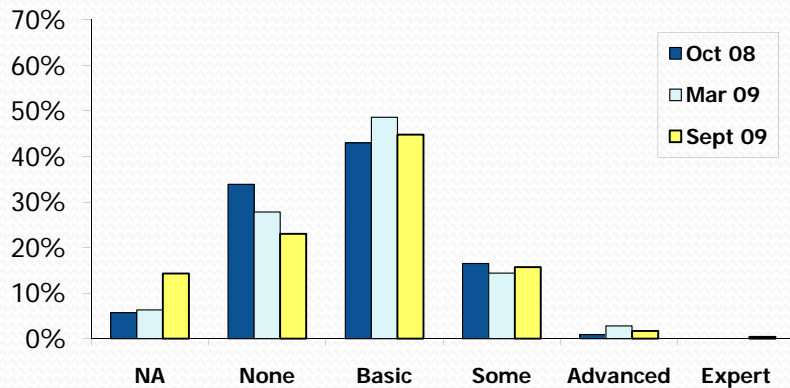
US Private Co Respondents

Current vs Needed Familiarity

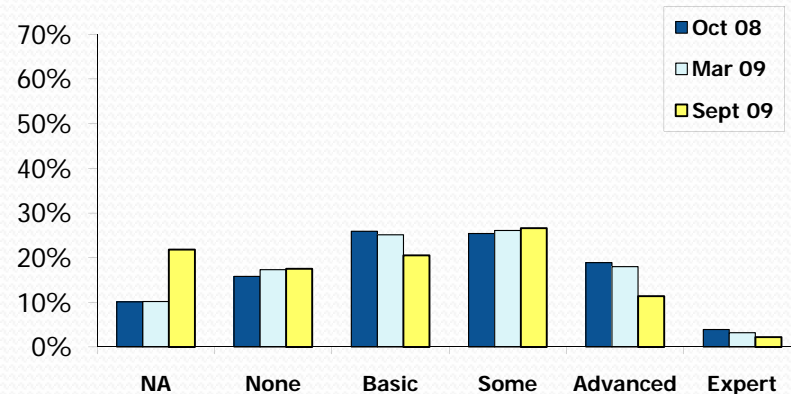


- Members who work for US Private Cos generally have less familiarity with IFRS than they need
- There has been a small but significant increase in the number of respondents who believe that knowledge of IFRS is not applicable
- Members expectations for what they think they will need have dropped slightly because more respondents feel IFRS knowledge is not applicable

Current Familiarity



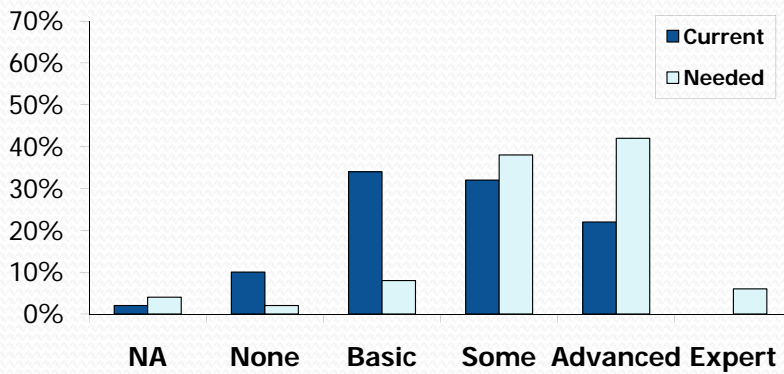
Needed Familiarity



Familiarity with IFRS

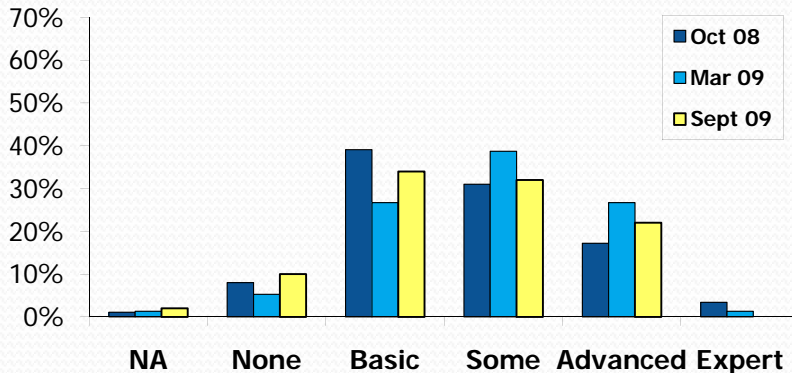
Foreign Owned Co Members

Current vs Needed

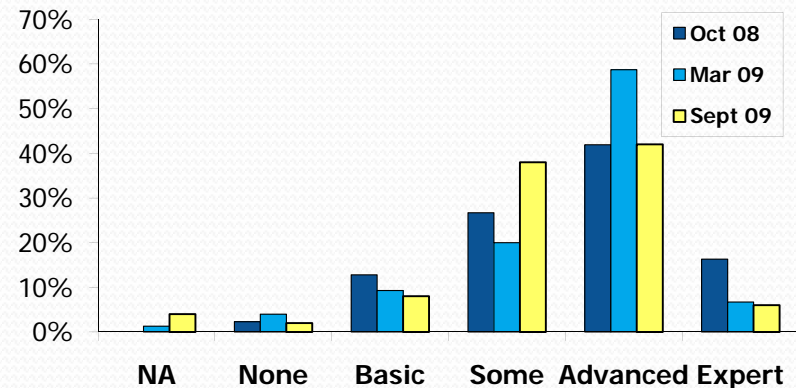


- Like their US counterparts members who work for Foreign companies generally have less familiarity with IFRS than they need
- While there appears to have been a decrease in familiarity the small size of this group (50 respondents) likely makes that change statistically insignificant.
- The same can be said for the change in what members expectations are for what they think they will need

Current Familiarity



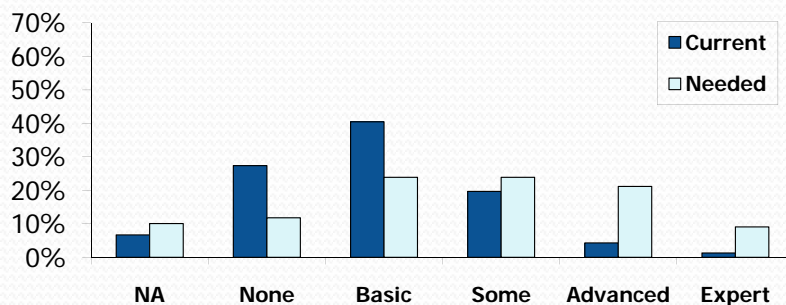
Needed Familiarity



Familiarity with IFRS

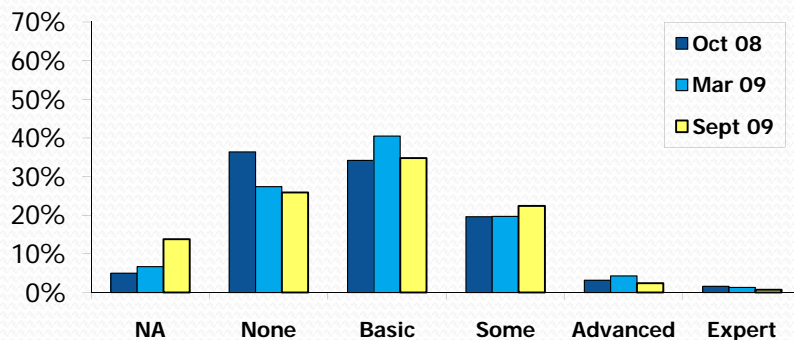
Public Practice Members

Current vs Needed

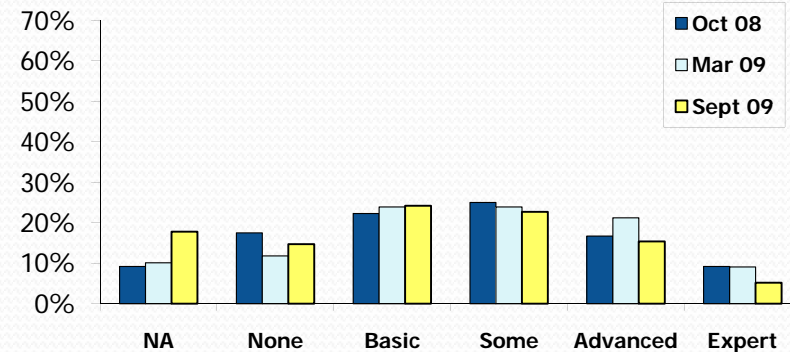


- Members who work for Public Practice continue to have less familiarity with IFRS than they need
- The percentage of members who feel that IFRS is not applicable to them have increased slightly.
- Members expectations for what they think they will need have stayed stable with a slight decrease in the number who say they need advanced or expert knowledge.

Current Familiarity



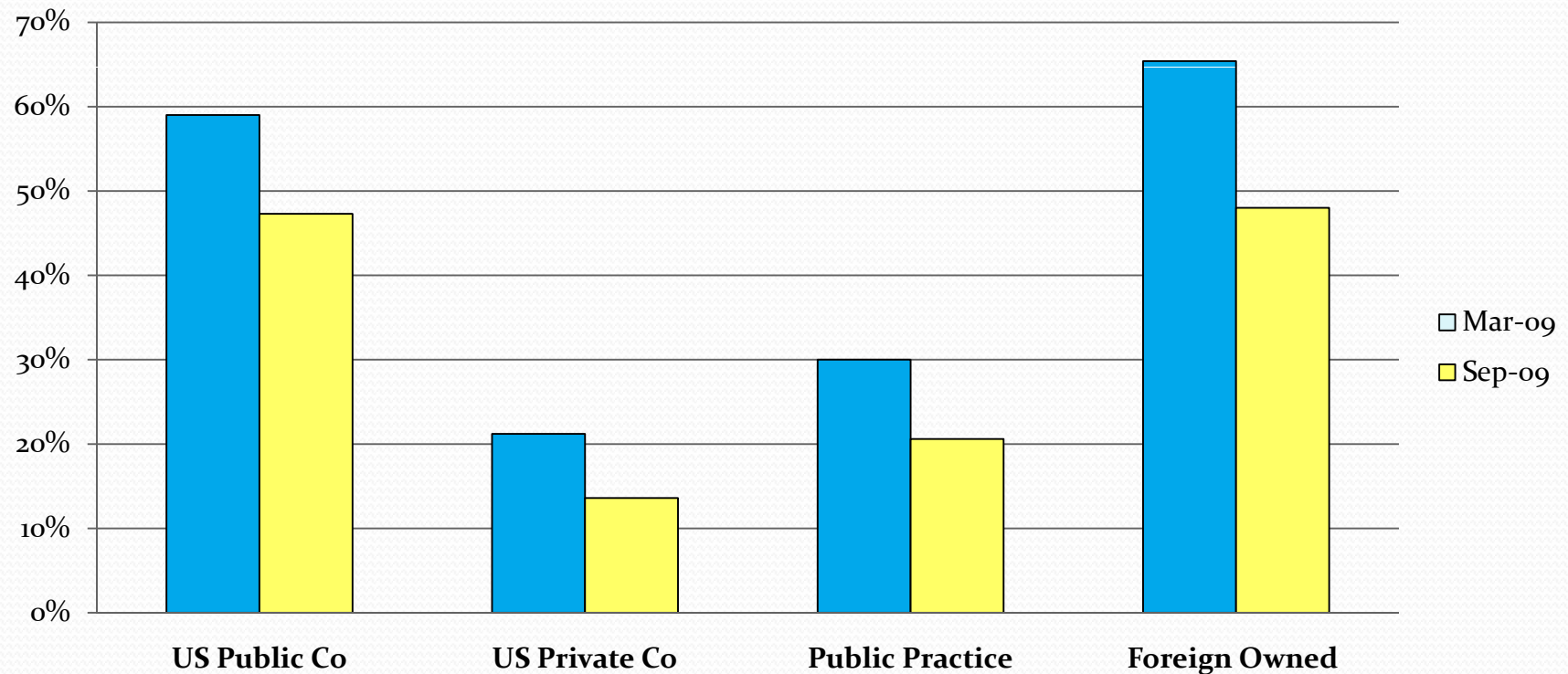
Needed Familiarity



Who Needs Advanced & Expert Knowledge of IFRS?

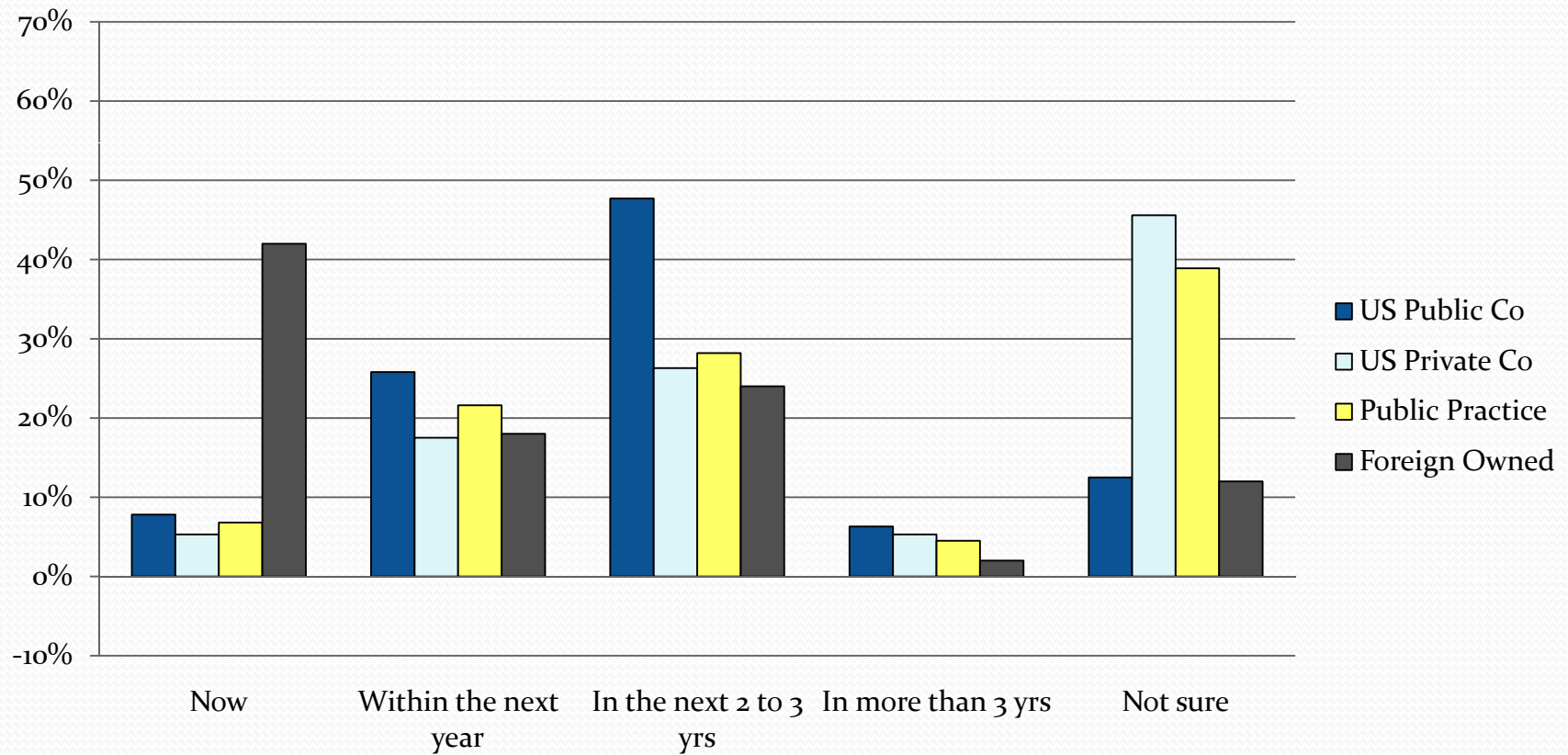
By type of organization

Percent that need Advanced or Expert Knowledge



When is IFRS knowledge Needed?

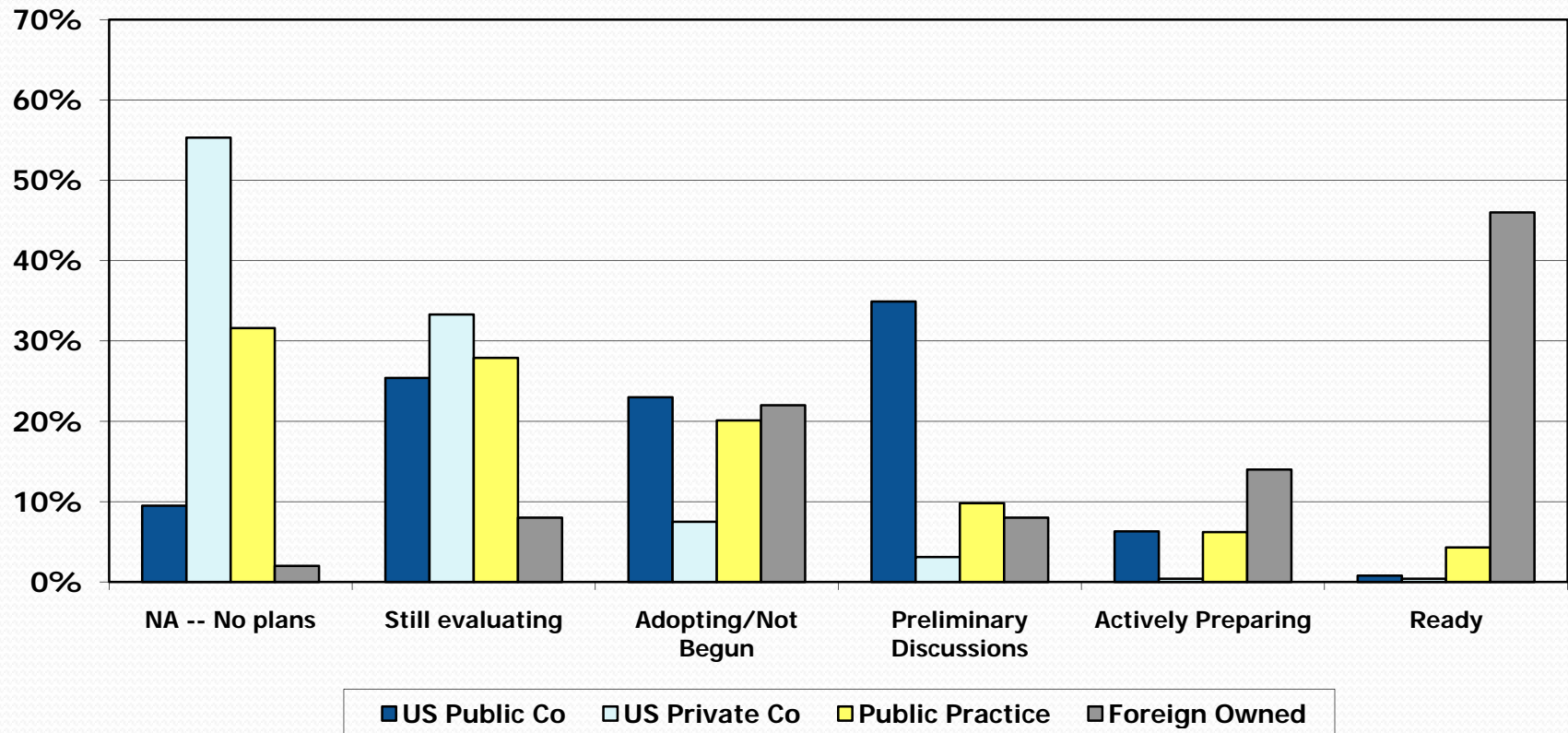
By type of organization



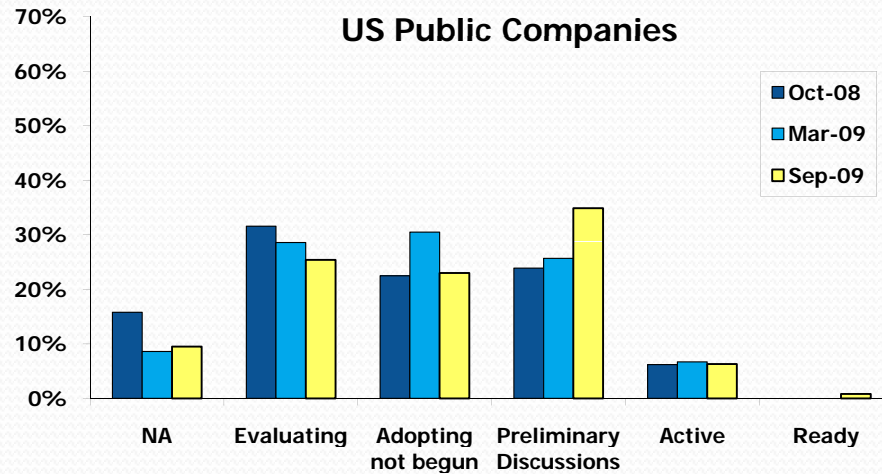
Please rate the extent to which your company (firm) is prepared for IFRS adoption

Prepared to Adopt?

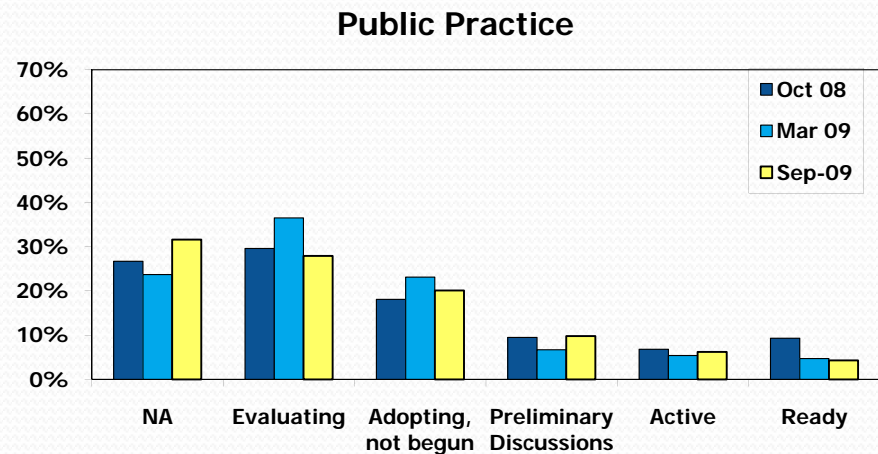
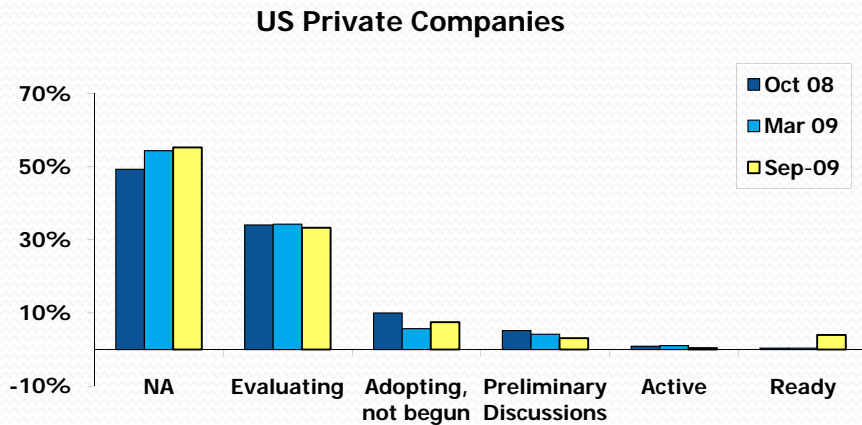
By type of organization (Sept 09)



Prepared to Adopt/Support Adoption?

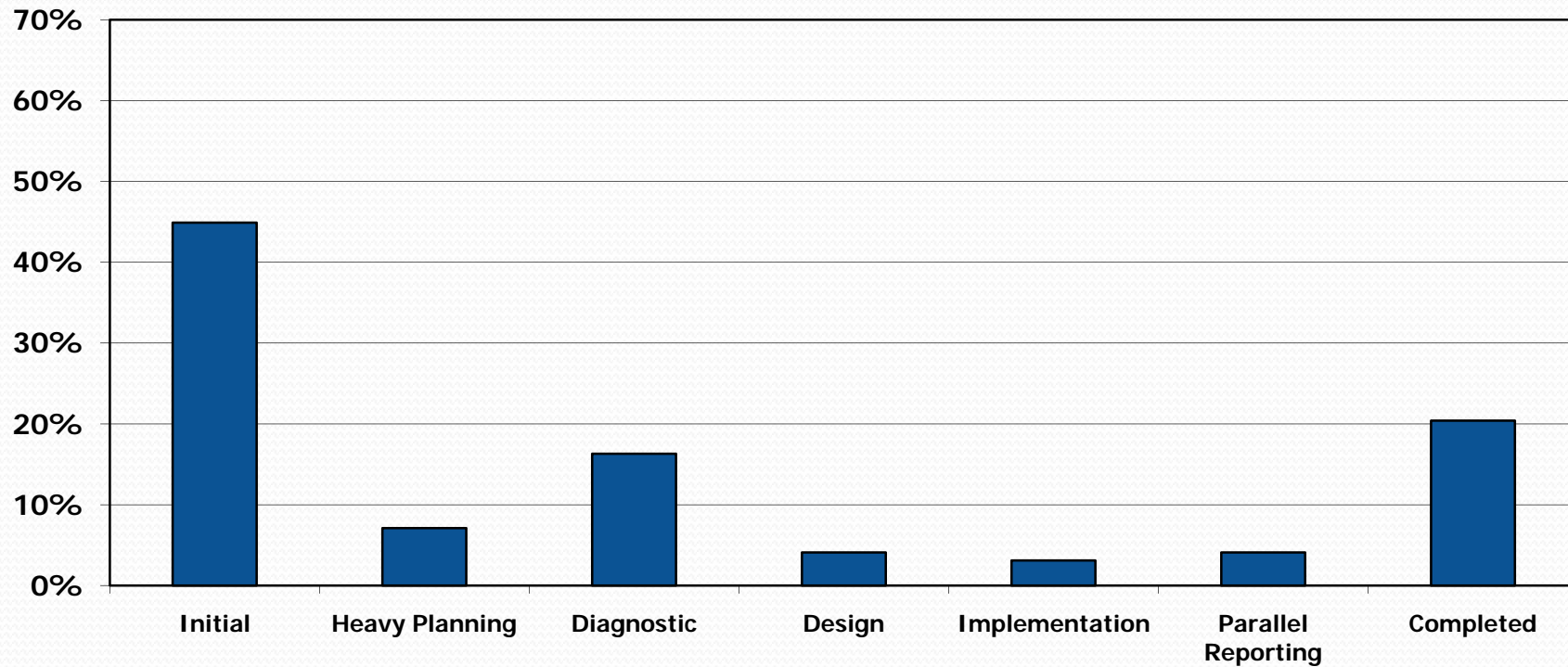


- US Public Companies have continued to move forward in preparing for IFRS
- US Private Companies are still not planning to adopt or only in early stages
- Most public practice firms are still not prepared for IFRS adoption



Stage of Transition?

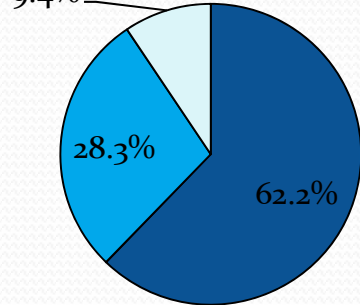
Please select the stage of transition that best describes the status of your implementation. (Asked only of companies in the Preliminary Discussions or Actively Preparing phase)



Delaying IFRS Preparations?

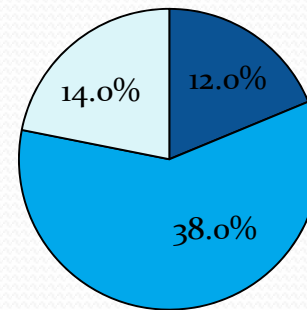
Are you delaying IFRS preparations until the SEC announces that it will set a date certain for its adoption in the United States?

US Public Companies



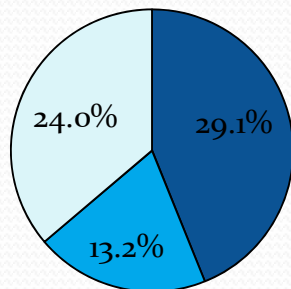
- Yes
- No
- Not applicable

Foreign-owned Companies



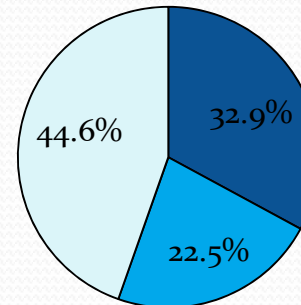
- Yes
- No
- Not applicable

Private Companies



- Yes
- No
- Not applicable

Public Practice

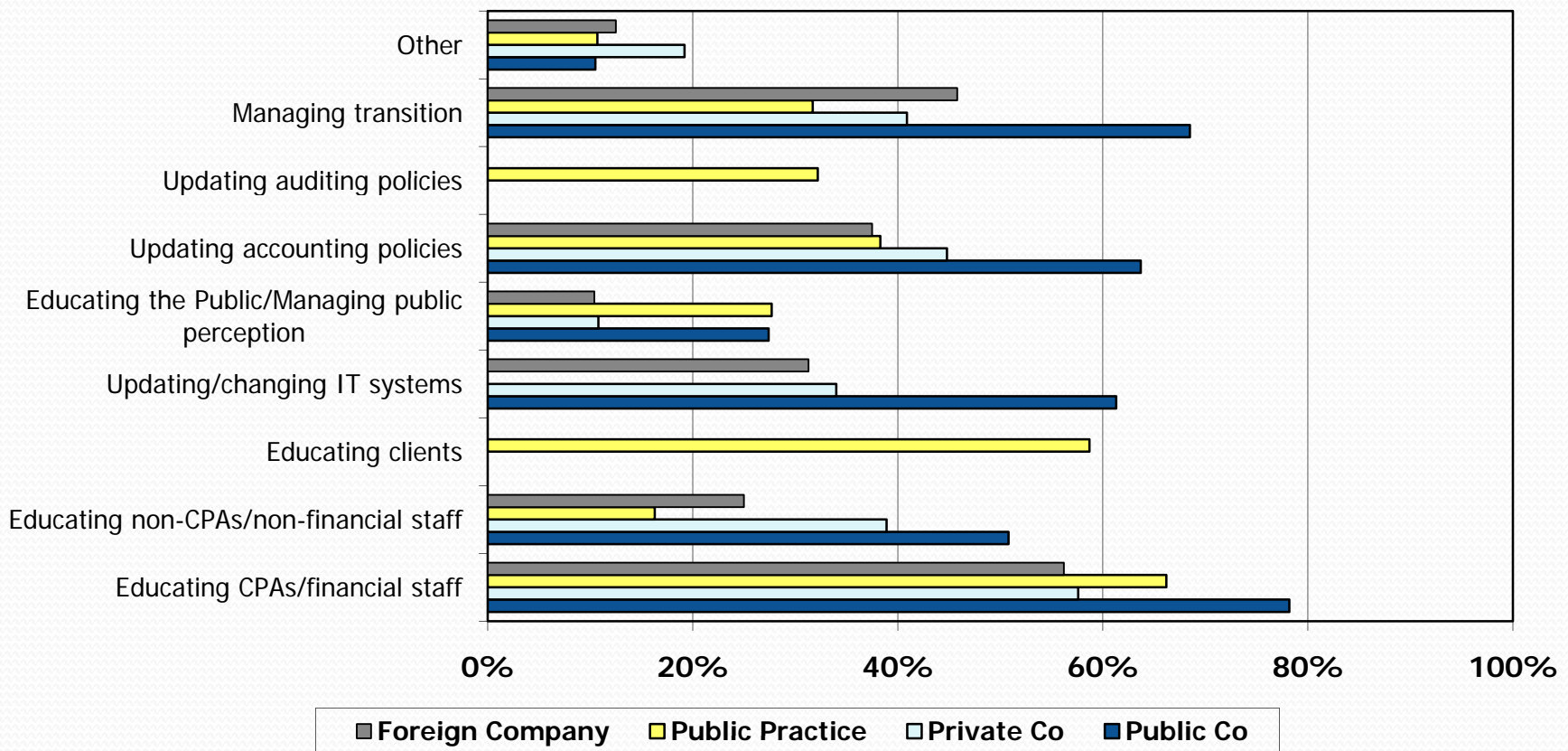


- Yes
- No
- Not applicable

IFRS Implementation Challenges

All Members

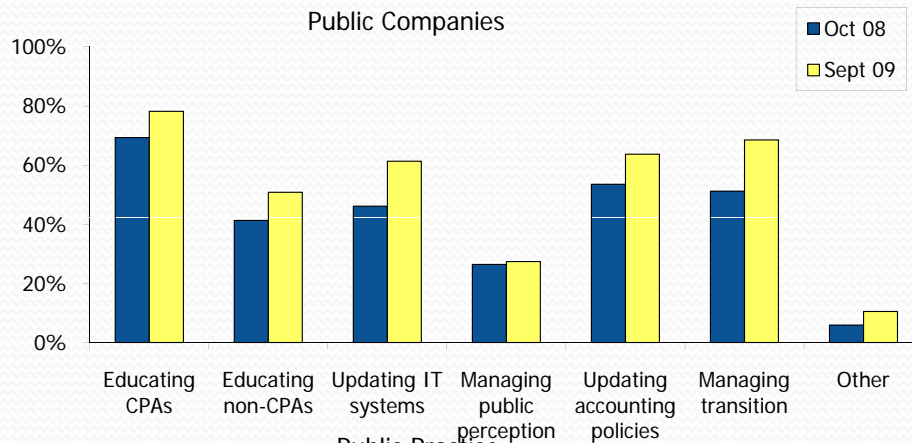
What are the largest challenges that implementing IFRS has presented/will present to your firm/company? (Select all that apply)



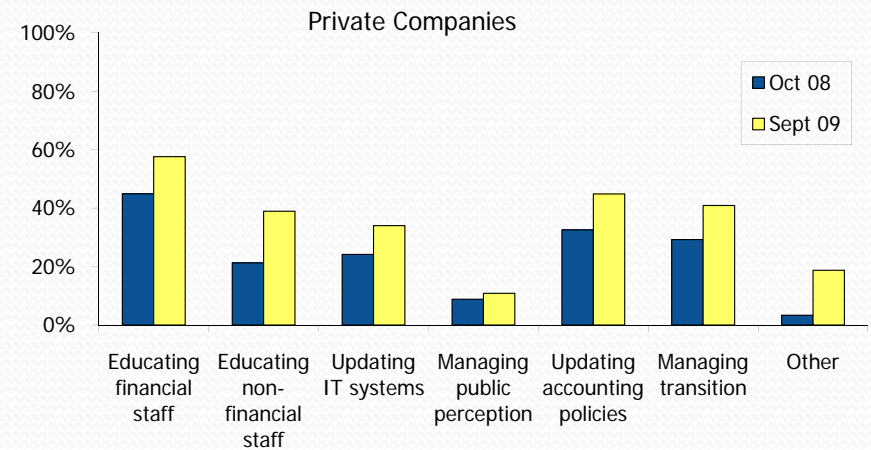
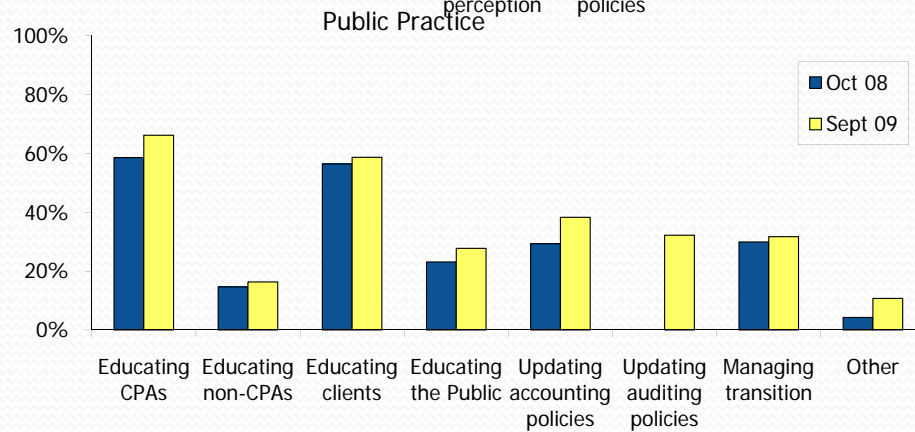
IFRS Implementation Challenges

By organization type

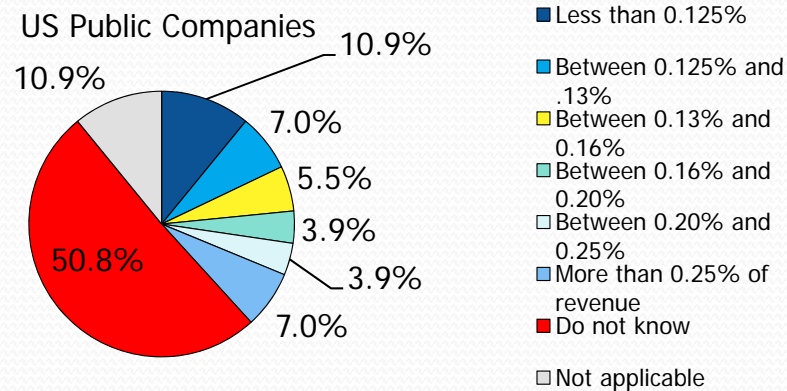
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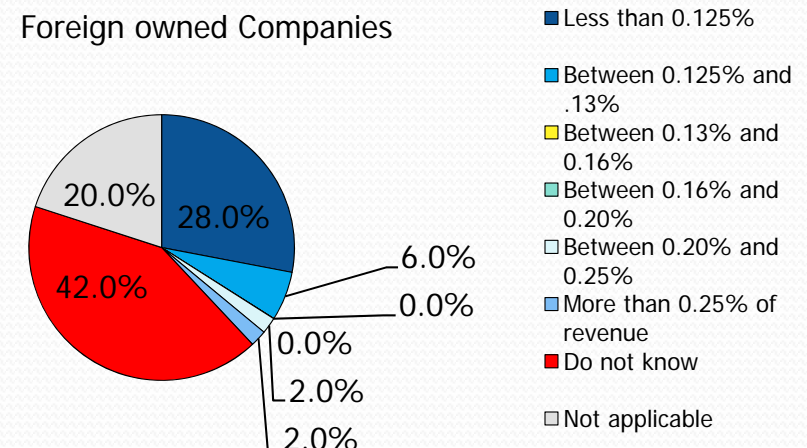
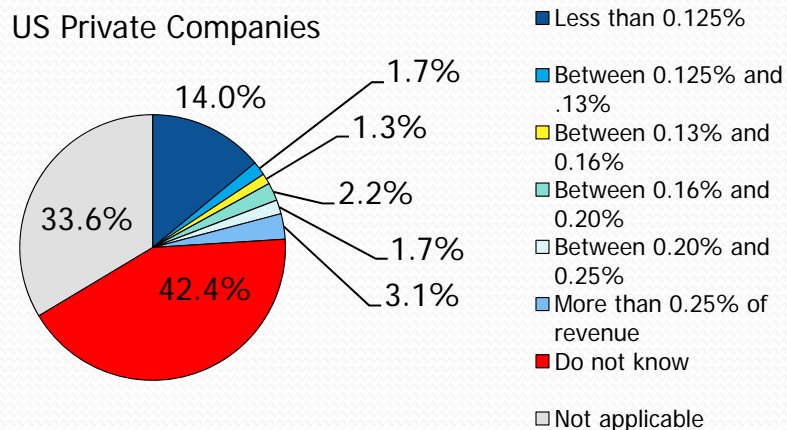
- Members who work in business & industry are more likely to foresee challenges in implementing IFRS
- Members who work for public practice generally see the same level of challenges as in Oct 08



Estimated Cost to Adopt?



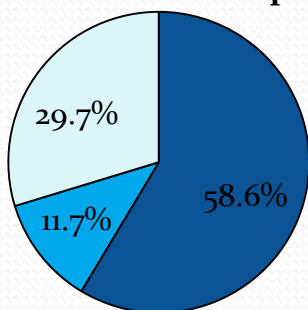
- Respondents are still very unsure what IFRS will cost to adopt
- Very few respondents are willing to provide any estimate at all
- However foreign owned companies were the most likely to choose the lowest estimate.



Self-Contained Accounting Standards for Private Companies?

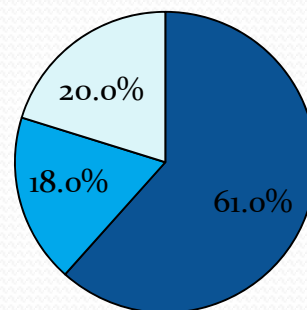
Do you believe a self-contained set of accounting standards designed to meet the needs of constituents of private company financial reporting should be available to U.S. private companies?

Public Companies



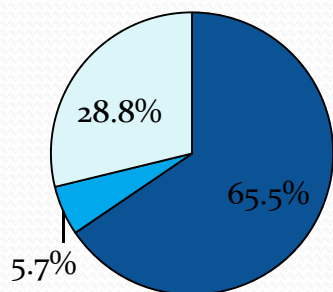
- Yes
- No
- Unsure

Foreign-owned Companies



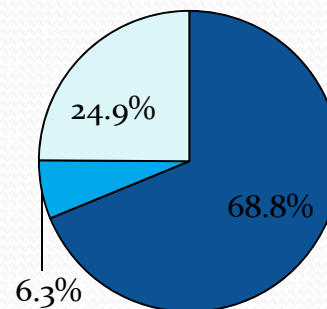
- Yes
- No
- Unsure

Private Companies



- Yes
- No
- Unsure

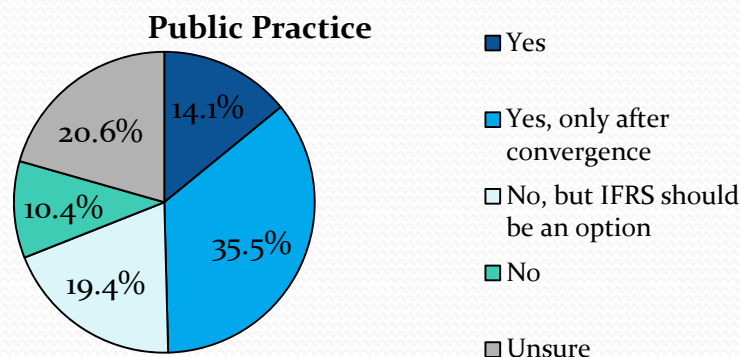
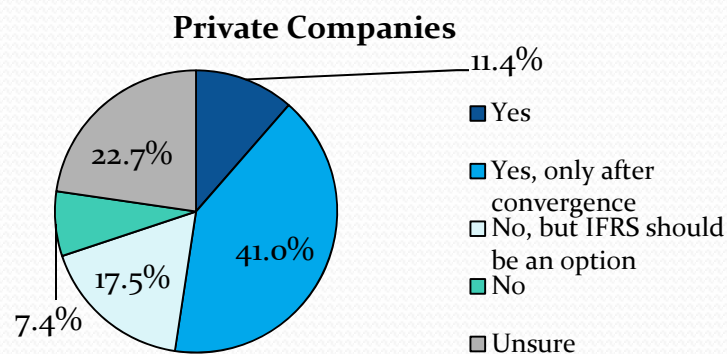
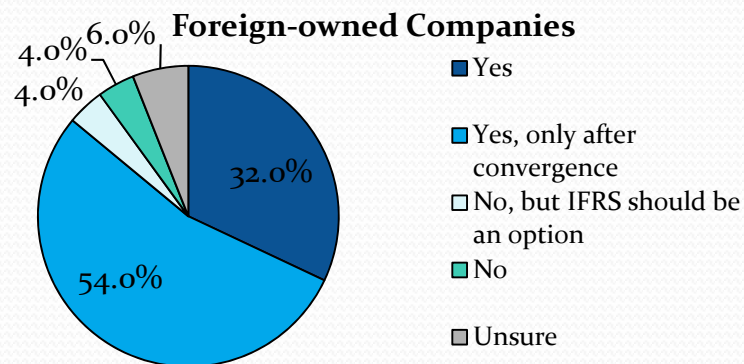
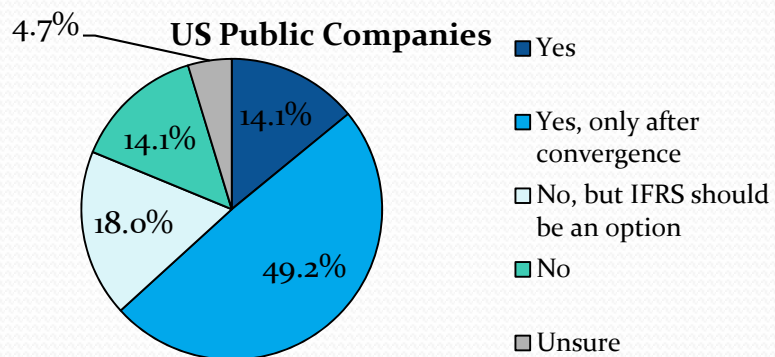
Public Practice



- Yes
- No
- Unsure

Should the SEC Require Adoption of IFRS?

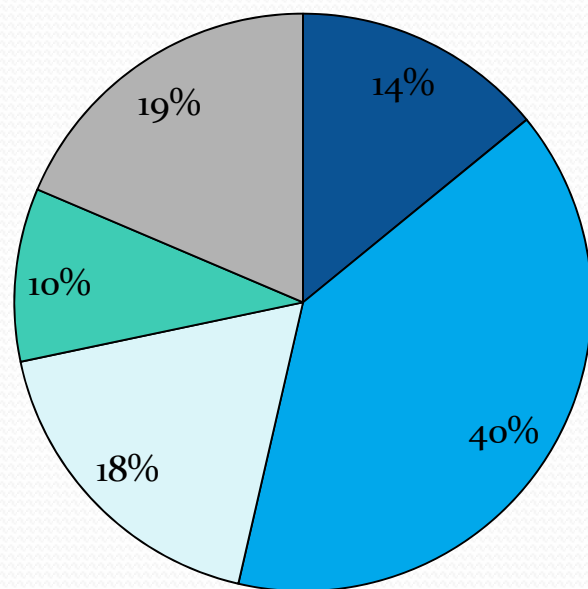
The leaders of the G-20 nations have called for significant progress towards a single set of high quality global accounting standards by the end of 2009. Do you believe ultimately the SEC should require adoption of IFRS for U.S. public companies?



Should the SEC Require Adoption of IFRS?

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All Respondents

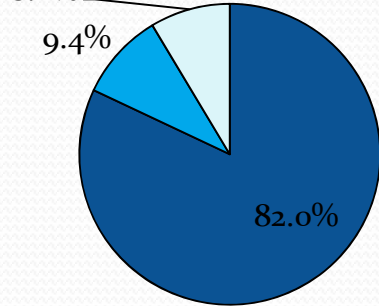


- Yes
- Yes, only after convergence
- No, but IFRS should be an option
- No
- Unsure

Should the SEC Make an Announcement of its Plans for IFRS before the end of 2009?

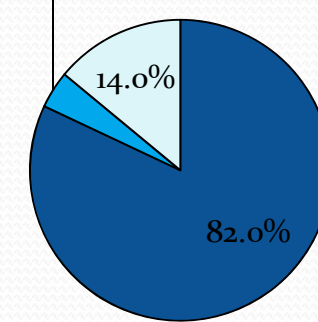
In her confirmation hearing in January, SEC Chairwoman Mary Schapiro said she will not necessarily feel bound by the prior administration's "roadmap" for IFRS adoption. Do you believe the SEC should make an announcement on its plan for evaluating IFRS before the end of 2009?

US Public Companies



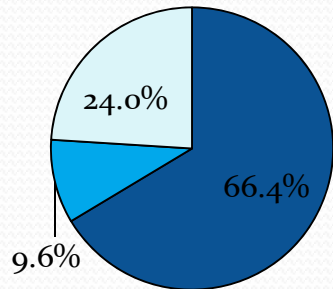
- Yes
- No
- Unsure

Foreign-owned Companies



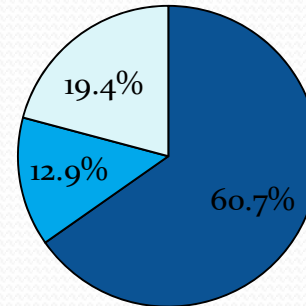
- Yes
- No
- Unsure

Private Companies



- Yes
- No
- Unsure

Public Practice

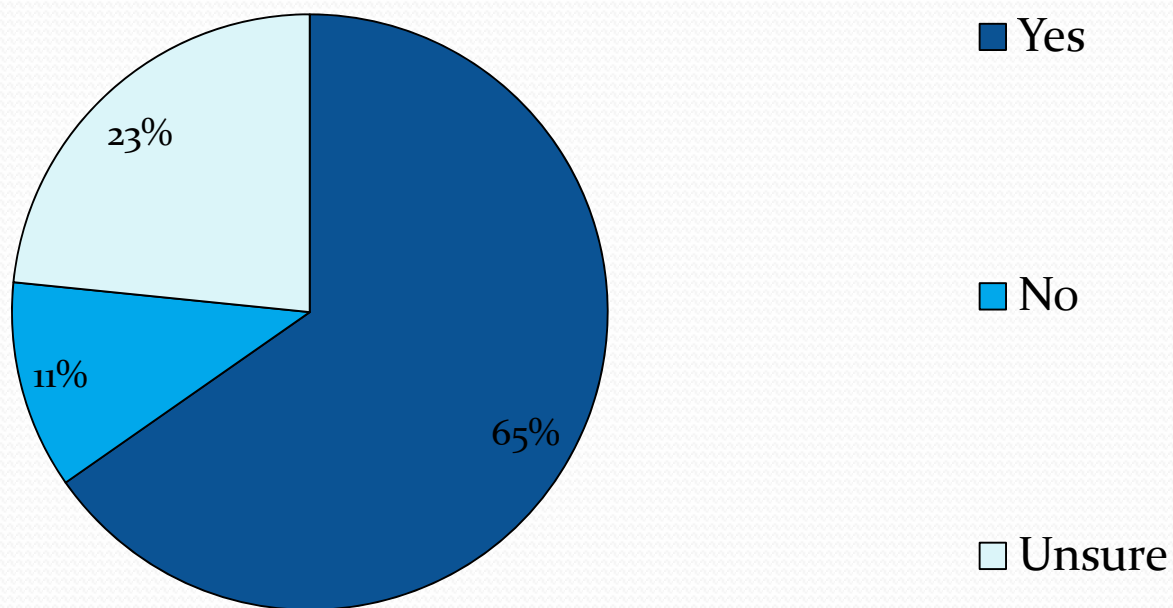


- Yes
- No
- Unsure

Should the SEC Make an Announcement of its Plans for IFRS before the end of 2009?

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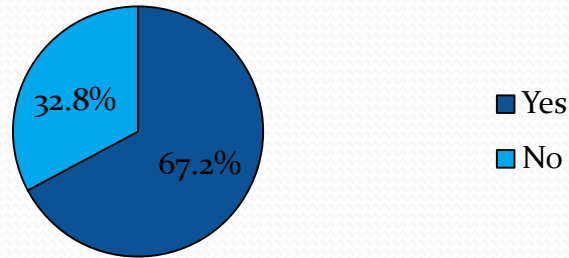
All Respondents



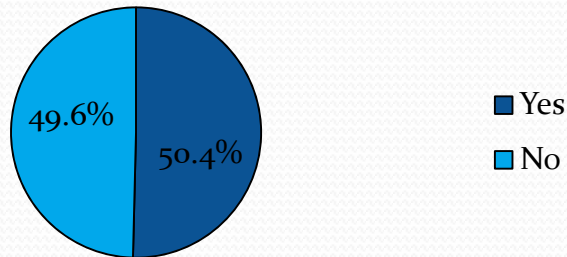
Awareness of IFRS for SMEs

Are you aware that the International Accounting Standards Board issued an International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs), which is a simplified, self contained set of accounting standards designed to meet the financial reporting needs of constituents of private entities?

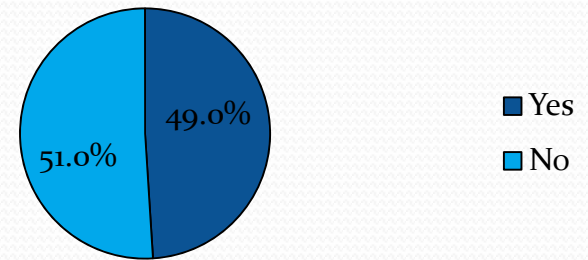
Public Companies



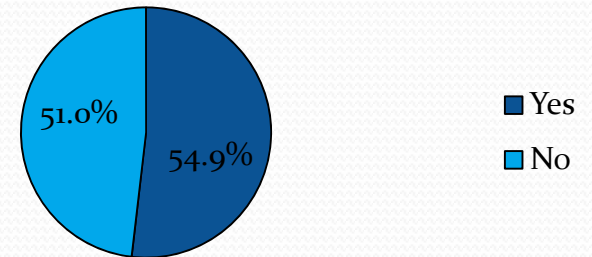
Private Companies



Foreign-owned Companies



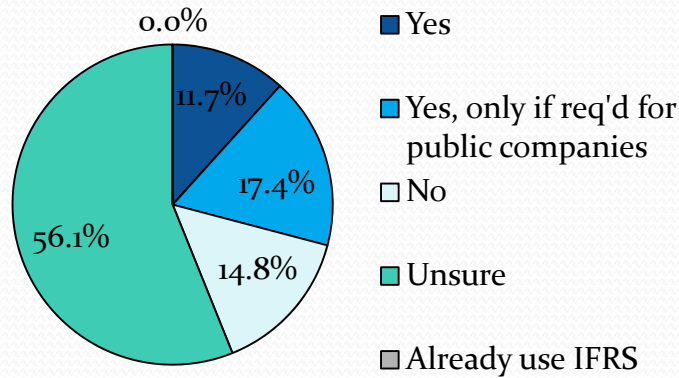
Public Practice



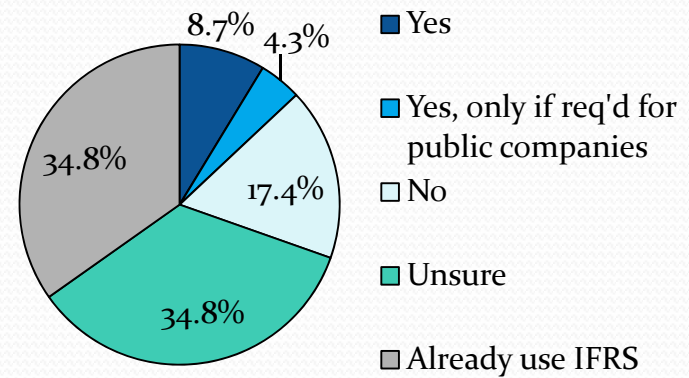
Consider adopting IASB's IFRS for SMEs

Would you consider adopting the IASB's recently issued IFRS for Small and Medium sized Entities?

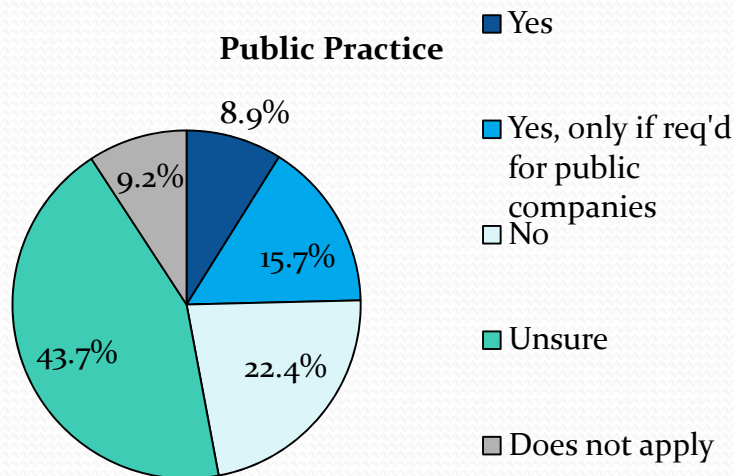
US owned Private Companies



Foreign-owned Private Companies



Public Practice



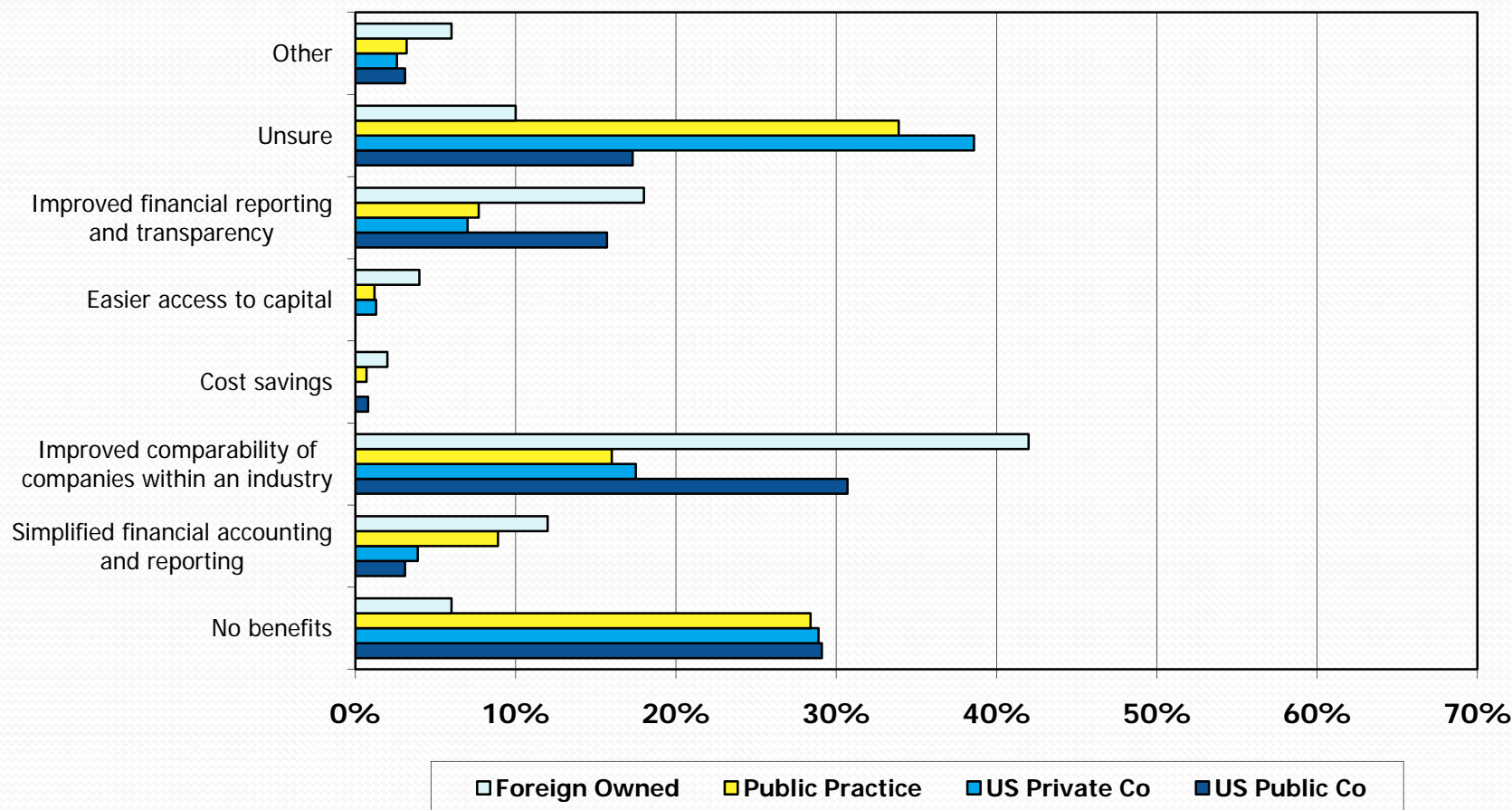
NOTE: There were only 23 respondents in the foreign-owned private company category.

- Public Practice respondents were asked a slightly different question:
- Would you advise your clients to consider adopting the IASB's recently issued IFRS for Small and Medium-Sized Entities?

Most significant benefit of adopting IFRS

All Members

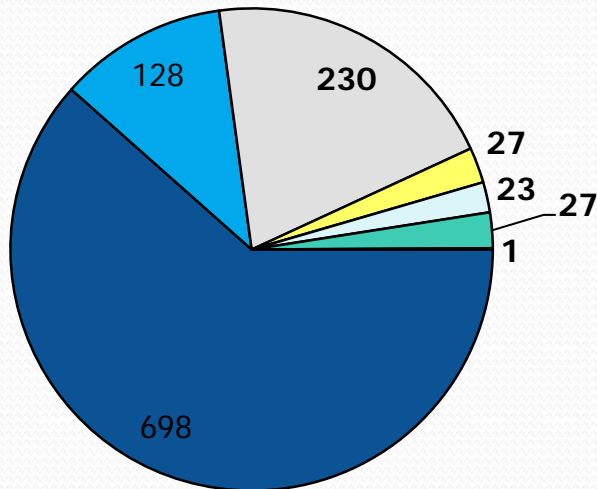
What do you perceive as the most significant benefit to adopting IFRS?



Respondent Demographics

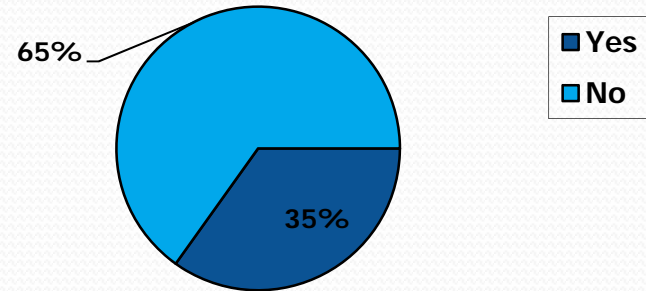
All Members

Respondents by Organization Type



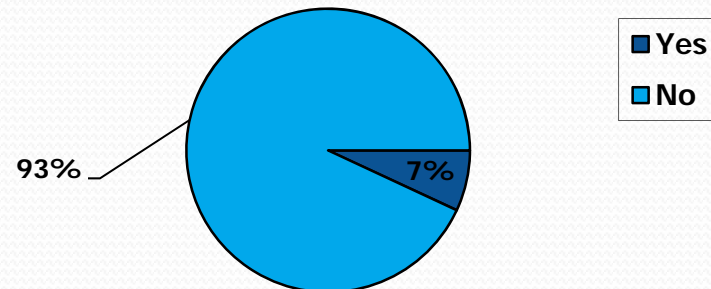
- Public Practice
- US Owned Private Co
- US Owned Public Co
- Foreign Owned Public Co
- Foreign Owned Private Co
- Not for Profit
- Education Institution

Business & Industry



- Yes
- No

Public Practice

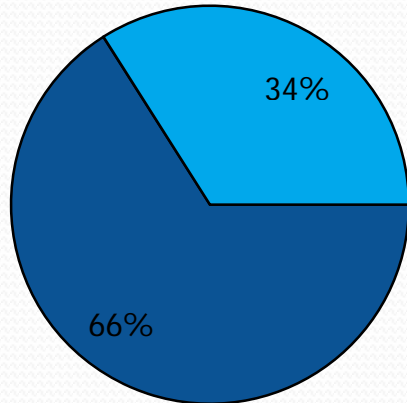


- Yes
- No

Company Size?

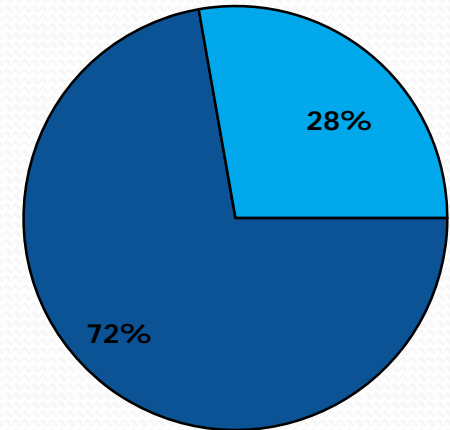
B&I Respondents

All Members



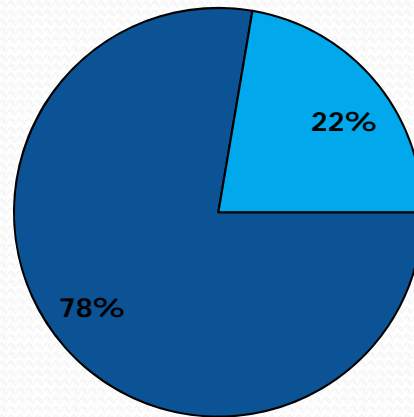
■ Yes ■ No

Public Practice Members



■ Yes ■ No

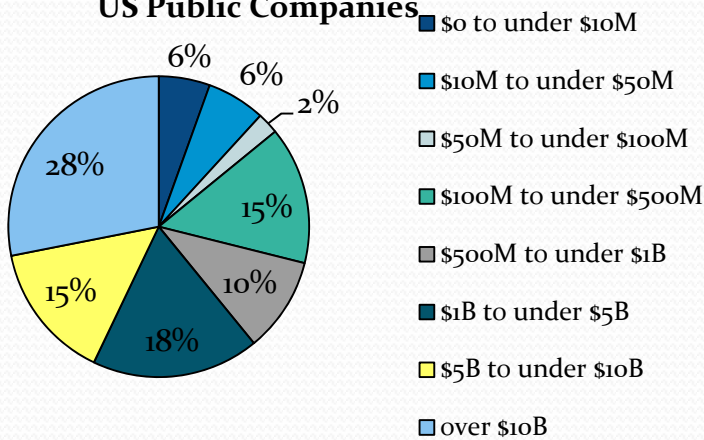
B&I Members



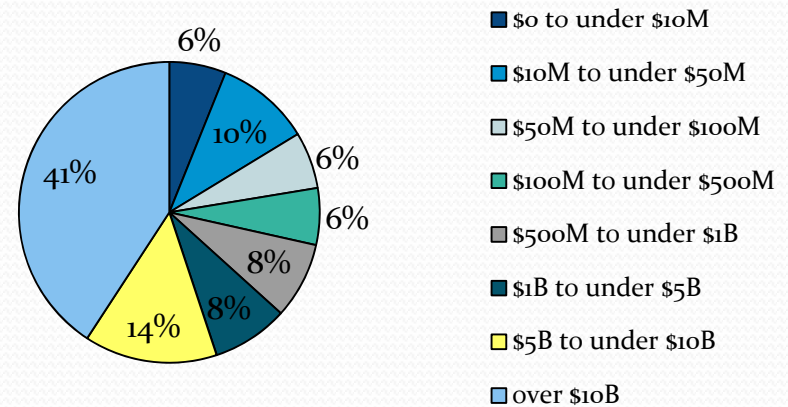
■ Yes ■ No

Organization Size

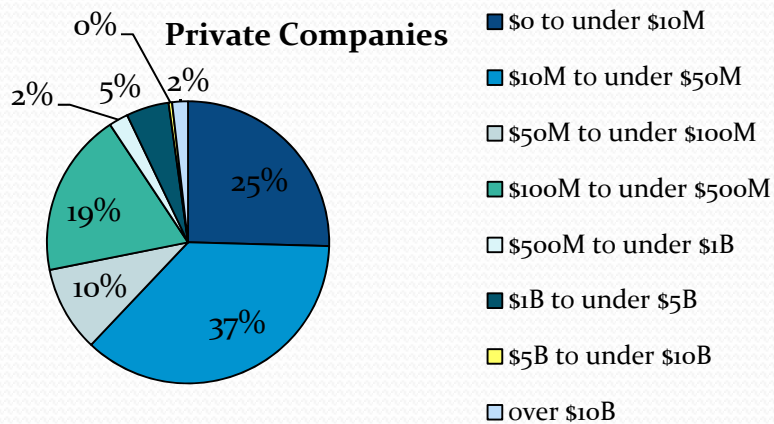
US Public Companies



Foreign-owned Companies



Private Companies



Public Practice

