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**REPORT TO THE EUROPEAN SECURITIES COMMITTEE AND TO THE
EUROPEAN PARLIAMENT**

**on convergence between International Financial Reporting Standards (IFRS) and third
country national Generally Accepted Accounting Principles (GAAPs)**

SEC(2010)681 final

REPORT TO THE EUROPEAN SECURITIES COMMITTEE AND TO THE EUROPEAN PARLIAMENT

on convergence between International Financial Reporting Standards (IFRS) and third country national Generally Accepted Accounting Principles (GAAPs)

1. INTRODUCTION AND LEGAL BASES

Since 1 January 2005, companies listed on a regulated market of any EU Member State have to use IFRS as adopted by the EU for preparing their consolidated financial statements.¹ The Prospectus Regulation² and the Transparency Directive³ extend the requirement to produce financial reports either on the basis of IFRS or on the basis of certain third countries national accounting standards equivalent to those standards, to third country issuers making a public offer of securities in the EU and those whose securities are traded on an EU regulated market.

In December 2007, the Commission established a mechanism⁴ to determine the equivalence of Generally Accepted Accounting Principles (GAAPs). In December 2008, the Commission adopted a Decision⁵ and a Regulation,⁶ which identified as equivalent to IFRS the US GAAPs, and Japanese GAAPs, and accepted financial statements using GAAPs of China, Canada, India, South Korea within the EU on a temporary basis, until no later than 31 December 2011.

In this context, the EU legislation⁷ requires the European Commission to update the European Securities Committee (ESC) and the European Parliament (EP) at regular intervals on the progress that is being made by these countries with their respective programmes.

In the first report of July 2007 the Commission reported on the respective timetables envisaged by national authorities of certain third countries for converging their national GAAPs towards IFRS.⁸ In the second report of April 2008 the Commission examined the

¹ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 (the "IAS Regulation")

² Commission Regulation (EC) No 809/2004 of 29 April 2004 (the "Prospectus Regulation"). This Regulation implements Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "Prospectus Directive").

³ Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "Transparency Directive").

⁴ Commission Regulation (EC) No 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council (the "Equivalence Mechanism Regulation").

⁵ Commission Decision 2008/961/EC of 12 December 2008 on the use of third countries' issuers of securities of certain third country's national accounting standards and International Financial Reporting Standards to prepare their consolidated financial statements, OJ L 340, 19.12.2008, p. 112

⁶ Commission Regulation (EC) No 1289/2008 of December 2008 amending Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards elements related to prospectuses and advertisements, OJ L 340, 19.12.2008, p. 17

⁷ Commission Regulation (EC) No 1787/2006 of 4 December 2006, and Commission Decision (EC) No 2006/891 of 4 December 2006 (the "Decision under the Transparency Directive").

⁸ Commission report of 6 July 2007 (COM(2007) 405 final)

actual progress made by third countries, firstly, on their convergence programmes and, secondly, towards eliminating any rules on reconciliation requirements that apply to Community issuers listed in the jurisdictions of these third countries.

In this report, the Commission provides an update on these countries' efforts of changeover towards IFRS. In doing so, the Commission requested the Committee of European Securities Regulators (CESR) to provide an update on changeover developments towards IFRS in the countries that recently received a transitional period by the EU (China, Canada, India, and South Korea), e.g. by using public information or written information obtained from the third country regulators concerned. A particular focus was to be placed on the practical application of the substantially converged Chinese ASBEs on the basis of available reports.

This report also presents recent developments in countries that are recognised as equivalent such as the United States, and Japan, as well as developments in several other major economies such as Argentina, Brazil, Mexico, Russia, and Taiwan. A number of jurisdictions, such as Australia, Hong Kong, New Zealand, Singapore, South Africa, have already fully adopted or implemented IFRS and therefore there is no need for a decision on equivalence by the European Commission.

2. DEVELOPMENTS IN COUNTRIES THAT ARE RECOGNISED AS EQUIVALENT

On 12 December 2008, the Commission adopted the Commission Decision⁹ and Commission Regulation¹⁰, establishing that the US and Japanese GAAPs are equivalent to IFRS for use within the Community. This section presents developments in these countries during 2008-09 based on publicly available information.

USA

Convergence

In 2006 the US Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) concluded a Memorandum of Understanding (MoU) which reaffirmed their objective for convergence between US GAAP and IFRS, and outlined the work programme for this purpose. CESR confirmed that the main differences which it identified in its advice to the Commission in 2005 have been addressed by both boards. A number of issues (including a converged standard for Business Combination) have been completed, while others are ongoing and the target date of 2011 remains unchanged.

On the political level, the G20 conclusions have reaffirmed a commitment to international solutions, including in the accounting area. These commitments need to be transformed into specific policy decisions and the work towards convergence should be stepped-up at practical level, while maintaining the objective of achieving high quality financial reporting. In April 2009 the IASB and the FASB updated their agendas, taking into account issues arising from the financial crisis. The focus of standard setting has to some extent been re-prioritised from convergence towards more urgent crisis-related issues which has caused some delay in the overall convergence process. In particular, the US provisions in the area of impairment of available for sale debt instruments that were modified expeditiously as a response to the crisis, caused additional divergence compared to the related IAS 39 standard. The IASB and the FASB are since then working on their respective revisions of accounting standards concerning

⁹ Commission Decision 2008/961/EC of 12 December 2008, OJ L 340, 19.12.2008, p. 112

¹⁰ Commission Regulation (EC) No 1289/2008 of 12 December 2008, OJ L 340, 19.12.2008, p. 17

financial instruments and should find a convergent approach, but one that does not come at the expense of high quality financial reporting.

Possible adoption of IFRS

In October 2008, the US Securities and Exchange Commission (SEC) issued for public consultation a proposed Roadmap for transitioning to IFRS. According to the proposed Roadmap, which sets forth several milestones, the SEC would determine in 2011 whether to proceed with IFRS adoption by 2014. The deadline for comments was extended from 19 February to 20 April, 2009.

In February 2010, the SEC unanimously approved a new timeline that envisions 2015 as the earliest possible date for the required use of IFRS by U.S. public companies. The SEC action calls for more study of IFRS and a decision in 2011 on whether to move ahead with a mandate to use IFRS.

Although the original road map would have allowed certain U.S. companies to use IFRS in 2014, the SEC announced in February 2010 that it is not pursuing an early adoption option. The SEC could reconsider this position at a later date. The SEC statement also notes that it is not foreclosing the possibility in the future that US issuers may be permitted to choose between the use of IFRS or U.S. GAAP.

The European Commission considers it important that the US SEC will reach a positive decision about the adoption of IFRS as soon as possible in 2011. In the absence of a clear commitment to move towards adopting IFRS for US domestic issuers, both the credibility of the IFRS system and the participation of non-implementing countries in the governance structure of the IFRS Foundation may be called into question.

Reconciliation requirement

In November 2007, the SEC decided to waive the requirement to reconcile the financial statements of foreign issuers to US GAAP for those issuers who report on the basis of International Financial Reporting Standards (IFRS) as adopted by the IASB. The SEC's decision contained a transitional derogation for those EU issuers using the EU's carve-out on hedge accounting [from IAS 39]. This transitional provision expired in November 2009.

Japan

Convergence

Following the EU equivalence decision in 2008, the Japanese authorities continued the work on convergence between GAAP and IFRS.

In October 2008 the Accounting Standards Board of Japan (ASBJ) issued two press releases regarding measurement of fair value and reclassification of debt securities as a reaction to crisis-related changes developed by IASB, e.g. the reclassification of some financial instruments.

In March 2009 the ASBJ and the IASB met in Tokyo to discuss convergence of Japanese GAAP and IFRSs and reconfirmed the objective to achieve convergence of standards.

In September 2009 the IASB and the ASBJ reaffirmed their ongoing cooperation in achieving convergence in accounting standards. Representatives of the ASBJ reported that progress is

made towards convergence of IFRSs and Japanese GAAP. In addition to responding to the IASB consultations, the ASBJ issued a revised Accounting Standard - *ASBJ Statement No. 12 (revised 2009) Accounting Standard for Quarterly Financial Reporting*. The purpose of these amendments is to revise disclosure requirements for quarterly financial reports in case of doubts regarding the ability of "going concern." Furthermore, in response to the deliberations with IASB, the ASBJ adopted a discussion paper on "Accounting for Business Combinations," released a discussion paper on "Provisions" and a discussion paper on "Revenue Recognition."

Possible adoption of IFRS

Following the "Tokyo agreement",¹¹ the Business Accounting Council (BAC)¹², approved in June 2009 an Interim Report¹³ for the adoption of IFRSs in Japan. According to the proposed interim report, voluntary use of IFRSs will be permitted from the fiscal year ending on or after March 31, 2010, for consolidated financial statements of certain internationally active listed companies. The final decision regarding the mandatory use of IFRS would be made around 2012. A possible timing for the mandatory application of IFRS is 2015 or 2016.

The ASBJ published in September 2009 an update of their project plan through 2011. The renewed project plan has been developed taking into account the aforementioned Interim Report issued by the BAC, which recommends the ASBJ to continue and accelerate the convergence of accounting standards. It also takes into account IASB's work plan from August 2009 to 2011.

In December 2009, the Japanese Financial Services Agency (JFSA) released the revision of the regulation on corporate disclosure which enables certain Japanese companies to apply IFRSs on a voluntary basis.

During early 2010 the JFSA consulted publicly on the revised Regulatory Notices with an intention to update the list of designated IFRS for the voluntary application in Japan. In March 2010, the JFSA completed the public consultation and updated the list of designated IFRSs allowing all IFRS and IFRIC interpretations approved and issued by the IASB on or before December 31, 2009, to be used in the voluntary application of IFRS in Japan by certain Japanese listed companies starting from the consolidated fiscal years ending on or after 31 March 2010.¹⁴ The JFSA also announced that it will include IFRS 9, the first phase of the revision of IAS 39 undertaken by the IASB, in a package to be available for use by some Japanese companies on a voluntary basis from 10 March 2010.

The ASBJ published in April 2010 an updated version of the project plan through 2011 (see Annex). The ASBJ still plans to complete the items related to the remaining differences between the existing Japanese GAAP and IFRSs in 2010, and intends to issue exposure drafts on most of the projects addressed in the MoU between the IASB and the US FASB in the first half of 2011 in line with the current IASB work plan.*Reconciliation requirement*

¹¹ A joint declaration announced by the Accounting Standards Board of Japan (ASBJ) and IASB in 2007, which sets out an initiative to accelerate a convergence programme for IFRSs and Japanese GAAPs.

¹² An advisory body to the Japanese Financial Services Agency (FSA).

¹³ BAC (2009), Opinion on the Application of International Financial Reporting Standards (IFRS) in Japan (Interim Report).

¹⁴ <http://www.fsa.go.jp/en/news/2010/20100303-1.html>

The Japanese authorities do not require any reconciliation for EU issuers which prepare their financial statements using IFRS as adopted by the EU.

3. CHINA

In the case of China, the Commission requested CESR for advice on the practical application of the substantially converged ASBES.

The Chinese authorities decided in February 2006 to incorporate IFRS into their legislation whilst, in certain cases, making amendments to take into account local circumstances. These Accounting Standards for Business Enterprises (ASBES) became mandatory for all listed Chinese enterprises from 1 January 2007.

According to a report¹⁵ published by the Chinese Ministry of Finance in November 2008, the implementation of the new ASBES went smoothly and has been achieved without major disruption to the Chinese markets or to the reporting cycle.¹⁶ The report stated that the Chinese Ministry of Finance believes that the move to ASBES has improved the quality and the reliability of financial reporting in China, mainly due to increased transparency of disclosures. The Ministry also believes that the converged-ASBES are both making the Chinese market more attractive to overseas issuers and putting Chinese issuers in a better position to access international markets. Nevertheless, the Ministry of Finance has identified a number of areas in the 2007 financial statements where the level of compliance could be improved or where it was felt issuers had experienced difficulties in identifying acceptable applications under the standards concerned. Finally, the Ministry intends to take measures to improve the application of the new standards in future reporting periods.

In September 2009, the Ministry of Finance issued an Exposure Draft (ED) on the “Roadmap for Continuing and Full Convergence” of Chinese standards with IFRSs for public consultation. The comments were due by 30 November 2009.

In its Report on the Observance of Standards and Codes (ROSC) of October 2009, the World Bank commended China on making “impressive progress” in establishing an institutional framework for accounting, auditing and corporate financial reporting.¹⁷ The report reiterates China’s commitment to convergence of Chinese ASBES with IFRSs and points out that full convergence is expected to be achieved by 2012.

The Commission will continue monitoring, with the assistance of CESR, the practical implementation of IFRS in the future.

4. CONVERGENCE WORK BY THIRD COUNTRIES INTENDING TO ADOPT IFRS

In February 2009, the Commission requested CESR to provide an update on progress of certain third countries (Canada, South Korea, and India) that received a transitional period by

¹⁵ Chinese Ministry of Finance (2008), Analysis Report on the Implementation of New Accounting Standards by Chinese Listed Companies in 2007.

¹⁶ The Chinese Ministry of Finance confirmed to the European Commission that this was also the case for the 2008 annual reports.

¹⁷ Report on the Observance of Standards and Codes (ROSC) – Accounting and Auditing – People's Republic of China (see http://www.worldbank.org/ifa/rosc_aa_chn.pdf).

the EU in their changeover to IFRS. Further to CESR's report¹⁸ of June 2009, the Commission services are reporting the following:

Canada

In January 2006, the Canadian Accounting Standards Board (AcSB) announced its decision to fully adopt IFRS for publicly accountable enterprises by 31 December 2011, and there was publicly available information giving details of both the program and the progress the Canadian Authorities made towards achieving it.

During the last two years, the Canadian Authorities have continued their efforts to secure a timely transition to IFRS through various publications, on-line training courses, and concept papers. For instance, the AcSB published in November 2008 the list of IFRSs that are expected to apply to Canadian issuers at the changeover date in 2011. More recently, in March 2009 the AcSB released the second omnibus Exposure Draft (ED) on the status of Canada's transition to IFRS entitled "Adopting IFRSs in Canada II." The Canadian Institute of Chartered Accountants (CICA) also launched a free on-line course on the introduction to IFRS and implications for Canadian business.

Finally, the Chairman of AcSB published a statement¹⁹ in December 2008 confirming that the adoption plan was still on target and that neither the effects of market turmoil nor the SEC's possible decision to delay the adoption of IFRS in the US were going to delay transition in Canada.

South Korea

The Korean Financial Supervisory Commission (KFSC) and the Korean Accounting Institute (KAI) had made a public commitment in March 2007 to adopt IFRS by 31 December 2011, and there was publicly available information giving details of both the program and the progress the South Korean authorities had made towards achieving it.

During the last two years, the aforementioned South Korean authorities have continued their efforts to secure a timely transition to IFRS through various publications, websites, regulations, and the establishment of a task force and an advisory group. For instance, during 2008 KAI published a full set of K-IFRSs, and started a program of courses aimed at educating CPAs and accounting staff within companies. Furthermore, the KFSC has assured CESR that it has reviewed and amended several laws and regulations to align these with IFRS; it launched a website to disseminate information on IFRS; it published a regulation mandating companies to disclose an IFRS impact analysis in their financial statements two years before they adopt IFRS; and established an advisory group for early adopters, and a task force to monitor progress made in implementing the roadmap.

India

In July 2007, the Institute of Chartered Accountants in India (ICAI) had made a public commitment to adopt IFRS by 31 December 2011. The Indian Government had confirmed publicly in May 2008 its intention to achieve convergence with IFRS by 2011. The ICAI had noted that it might make modifications (such as requiring additional disclosures, changing

¹⁸ In its report of June 2009, CESR clearly stated that their information is based on meetings with the IASB; an exchange of written communication with a representative of each of the relevant securities regulators or accounting standards setters, and publicly available information on websites. Consequently, their report is factual in nature, and does not seek to opine on the progress with regards to convergence or adoption achieved within the countries concerned.

¹⁹ See <http://www.acsbcanda.org/fyi-newsletter/item17751.pdf>

some terminology or omitting some options or alternative treatments) to IFRSs in order to reflect particular Indian circumstances. These changes, however, were expected to be minor and the stated intention of both the ICAI and the Indian Government was that Indian Accounting Standards would be fully IFRS compliant by the end of the program.

During the last two years, the Indian Authorities have continued their efforts to secure a timely transition to IFRS through various publications, training courses, and seminars. For instance, ICAI is currently in the process of modifying Indian Accounting Standards to the extent necessary to converge fully with IFRS, and has published a detailed work programme. It has also launched a certificate course on IFRS to enhance the IFRS knowledge to its members.

In February 2010, the Ministry of Corporate Affairs of India adopted a plan for a phased transition to "notified Indian standards that have been converged with IFRS" by listed and large Indian companies²⁰, other than banks and insurance companies:

- In Phase I, some specific companies²¹ will convert their opening balance sheets as of 1 April 2011 (if the financial year commences on or after that date).
- In Phase II, companies, whether listed or not, having a net worth exceeding Rs 500 crores but not exceeding Rs 1000 crores²² will convert their opening balance sheet as of 1 April 2013 (if the financial year commences on or after that date).
- In Phase III, listed companies which have a net worth of Rs 500 crores or less will convert their opening balance sheet as of 1 April 2014 (if the financial year commences on or after that date, whichever is later).

Companies in the following categories will not be required to follow the notified accounting standards which are converged with the IFRS (though they may voluntarily opt to do so) but need to follow only the 'notified accounting standards that are not converged with the IFRS':

- Non-listed companies with a net worth of Rs 500 crores or less and whose shares or other securities are not listed on Stock Exchanges outside India
- Small and Medium Companies (SMCs).

A separate roadmap for banking and insurance companies is expected to be submitted by the end of February 2010.

5. DEVELOPMENTS IN OTHER THIRD COUNTRIES

In addition to the countries already discussed in the previous sections, there are several other major economies moving towards IFRS. This section provides general information on recent developments in some other major economies that the European Commission is aware of based on publicly available information.

²⁰ <http://www.pib.nic.in/release/release.asp?relid=57220>.

²¹ Companies that are part of NSE Index – Nifty 50, companies that are part of the BSE Sensex 30, companies whose shares or other securities are listed on stock exchanges outside India, companies, whether listed or not, which have a net worth of more than Rs 1000 crores.

²² 1 crore= 10 million. Rs (rupies) 500 crore= €80,000,000. Rs 1000 crore= €160,000,000.

Argentina

In December 2009, Argentina's National Securities Commission (CMV) adopted a requirement that all companies that publicly offer equity or debt securities must prepare their financial statements using IFRSs, beginning with financial statements for the year ended 31 December 2012. Companies may voluntarily file their financial statements in accordance with IFRSs starting in January 2011.

Brazil

In July 2007, the Brazilian Central Bank and the Brazilian Securities and Exchange Commission (CVM) defined 2010 as the deadline for adoption of IFRS for the consolidated financial statements of listed companies and financial institutions. The use of IFRSs was optional for listed companies from 2007 through 2009.

Mexico

In November 2008, the Mexican Securities and Banking Commission (CNBV), together with the Mexican Accounting Standards Board (CINIF), announced that Mexico would adopt IFRS for all listed entities in 2012. Early adoption for some entities would be permitted from 2008 subject to requirements that will be established by the CNBV.

Russia

In Russia, the government announced in 2002 that all companies and banks will be required to prepare their financial statements according to IFRS starting from 1 January 2004. Parallel to this, there is a continued technical approximation of Russia's national accounting standards (RAS) with IFRS. A legal proposal requiring corporations to conform to IFRS has been pending in the Parliament since 2004. There is no indication of any substantial development as far as mandatory use of IFRS is concerned.

Taiwan

In May 2009, the Financial Supervisory Commission (FSC) of Taiwan announced its roadmap for the full adoption of IFRSs in Taiwan. Phase I companies, which are all listed companies and financial institutions supervised by the Financial Supervisory Commission (except for credit cooperatives, credit card companies, and insurance intermediaries), will be required to apply IFRSs starting from 1 January 2013. Voluntary adoption of IFRSs will be permitted starting from 1 January 2012 for all listed companies. Phase II companies, which are unlisted public companies, credit cooperatives and credit card companies, will be required to apply IFRS starting from 1 January 2015 (optional starting from 1 January 2013).

6. CONCLUSIONS

Following the adoption of two Commission measures in December 2008²³, the Commission has requested CESR to provide an update on developments in the four countries that were found equivalent to IFRS on a temporary basis until 31 December 2011: China, Canada, India, and South Korea. CESR's work indicates that in all cases, the countries concerned have made some progress in pursuing their convergence or adoption programmes.

With regard to the United States and Japan, the Commission has already recognised their GAAPs as equivalent to IFRS for use within the Community. The US has conducted a public consultation on the adoption of IFRS, and concluded that it will take a decision in 2011 on whether to move ahead with mandatory use of IFRS. The US has also stated that it envisions 2015 as the earliest possible date for mandatory application of IFRS. Therefore, the decision

²³ Commission Decision 2008/961/EC & Commission Regulation (EC) No 1289/2008

in 2011 will be a critical one as far as convergence between US GAAP and IFRS is concerned. In the absence of a clear commitment to move towards adopting IFRS in the US, both the credibility of the IFRS system and the participation of non-implementing countries in the governance structure of the IFRS Foundation may be called into question. Japan has also continued the work on convergence between GAAP and IFRS. Japan allows for voluntary application of IFRS by certain listed companies starting from the consolidated fiscal years ending on or after 31 March 2010. Japan has also announced its intention to take a decision around 2012 on whether to adopt IFRS by 2015 or 2016.

Other major economies have also recently announced their intention to adopt IFRS, such as Argentina, Brazil, Mexico, and Taiwan. In Russia, there are no indications of substantial development as far as mandatory use of IFRS is concerned.

In the coming years the Commission will continue to monitor the situation and assess the ongoing efforts by third countries converging to IFRS or intending to adopt IFRS, with the technical assistance of CESR.

The Commission will continue to support the efforts of those countries which have undertaken to converge their accounting standards to IFRS and also of those countries which have undertaken to adopt IFRS.

ANNEX to the

Report on convergence between International Financial Reporting Standards (IFRS) and third country national Generally Accepted Accounting Principles (GAAPs)

Annex 1: Brief up-to-date situation of some third countries convergence or adoption of IFRS

	Country	Remarks
Considered equivalent to adopted IFRS	USA	<p>Since 1 January 2009, the EC recognises US GAAP equivalent to IFRS for use within the Community.</p> <p>Following a public consultation on the roadmap for transitioning to IFRS, the SEC concluded that it will take a decision in 2011 on whether to move ahead with adoption of IFRS. The US has also stated that it envisions 2015 as the earliest possible date for mandatory application of IFRS.</p>
	Japan	<p>Since 1 January 2009, the EC recognises Japanese GAAP equivalent to IFRS for use within the Community.</p> <p>Japan announced its intention to decide around 2012 whether to impose mandatory application of IFRS by 2015 or 2016. Japan allows for voluntary application of IFRS by certain listed companies starting from the consolidated fiscal years ending on or after 31 March 2010.</p>
China	China	<p>Since 1 January 2009, the EC accepted financial statements using Chinese GAAPs on a temporary basis until 31 December 2011.</p> <p>Chinese authorities work towards full convergence by 2012.</p>
Intend to adopt IFRS	Canada	<p>EC accepted financial statements using Canadian GAAPs on a temporary basis until 31 December 2011.</p> <p>Canada plans to fully adopt IFRSs in 2011.</p>
	South Korea	<p>EC accepted financial statements using South Korean GAAPs on a temporary basis until 31 December 2011.</p> <p>South Korea announced a plan to adopt IFRSs in 2011.</p>
	India	<p>EC accepted financial statements using Indian GAAPs on a temporary basis until 31 December 2011.</p> <p>India announced a plan to adopt IFRSs in 2011.</p>
Other	Argentina	Argentina plans to adopt IFRS in 2012 (optional starting in January 2011)
	Brazil	Brazil plans to adopt IFRS in 2010 (optional for listed companies prior to 2010).
	Mexico	Mexico announced that all listed companies will be required to use IFRS by 2012 (early adoption for some entities would be permitted from 2008 subject to certain requirements).
	Russia	No indication of any substantial developments on convergence to IFRS.
	Taiwan	Taiwan announced that all listed companies and financial institutions supervised by FSC will be required to apply IFRS starting from 1 January 2013 (voluntary use for all listed companies will be permitted starting from 1 January 2012). Unlisted public companies, credit cooperatives and credit card companies will be required to apply IFRS starting from 1 January 2015 (voluntary use will be permitted starting from 1 January 2013).