

## Brief summary of FASB symposium

As part of pursuing works toward Korea's adoption of International Financial Reporting Standards(IFRSs) beginning in 2009, the Korea Accounting Institute(KAI) / the Korea Accounting Standards Board(KASB) held a symposium on Thursday, 7 June 2007, inviting Robert H. Herz, Chairman of the Financial Accounting Standards Board(FASB) as a speaker of the presentation regarding "Present and Future of the Convergence between US GAAP and IFRSs".

The purpose of the symposium in which Hyo-ik Lee, Chairman of the KASB, made welcome speech, followed by congratulatory speech of Yong-ro Yun, Vice-chairman of the Financial Supervisory Commission(FSC), was to promote cooperative relationship between the KASB and the FASB and to exchange views on Korea's adoption of IFRSs, while sharing the experience and effort made by the FASB in improving the quality of accounting standards and in removing the differences between US GAAP and IFRSs. The symposium was also attended by a number of dignitaries, including Michael Crooch, Board Member of the FASB, Suzanne Q. Bielstein, Director of Major Projects and Technical Activities of the FASB, Kevin Stevenson, Partner of PwC accounting firm and former Director of the International Accounting Standards Board(IASB), Jee-hong Kim, Chief Accountant of the Financial Supervisory Service(FSS), Tack-kon Moon, Vice-President of the KICPA,

Kab-jae Lee, Executive Director of PwC accounting firm, Woi-hong Choi, Executive Vice-President of Samsung Electronics Co. as panel, discussing the main subject of the symposium and raising other critical issues related to Korea's adoption of IFRSs. At the symposium, the chairman of the FASB noted that the FASB recognizes the need for a single set of global accounting standards because capital markets are globally integrated, and has been making its efforts not only to improve the existing accounting standards, but also to create new common standards through the convergence between US GAAP and IFRSs. He added that the objective-oriented accounting standards developed with the very advantages of each of the two accounting standards would improve comparability, reliability and transparency of corporate financial reporting.

In addition, Mr. Herz remarked that the US Securities and Exchange Commission(SEC) is considering the elimination of the reconciliation requirement by 2009 for non-US companies registered with the SEC that use IFRSs and also contemplating the permission for US companies to use IFRSs.

The chairman concluded his speech by emphasizing on the cooperation between national accounting standard setters in developing a single set of global accounting standards and on the importance of comprehensive and thorough preparation before the adoption of IFRSs.

In response to the remarks of Mr. Herz, panelists welcomed the elimination of the reconciliation requirement for non-US companies being registered with SEC and adopting the full IFRSs and consented to the need for a single set of global accounting standards.

Besides, panelist stressed that continued discussion between interested parties and education program of IFRSs would be necessary for the implementation of IFRSs and that the role of professionals such as the KICPA would be important to meet the objectives set out by the roadmap announced on March 15, 2007.