



IFRS Readiness Tracking Survey

October 2011

Survey Background

■ Semi-annual survey

- Conducted 9/7 through 9/27, 2011
- 1241 responses – 1101 qualified (BI or Public Practice member)
 - 163 from US Public Companies
 - 163 from US Private Companies
 - 50 from Foreign Public Companies
 - 41 from Foreign Private Companies
 - 20 from Not for profit or educational institutions
 - 662 from Public Practice

■ Measures members readiness to implement IFRS

■ In addition to tracking questions, contains a number of questions unique to this survey

■ Provides information on their views surrounding other issues related to IFRS adoption

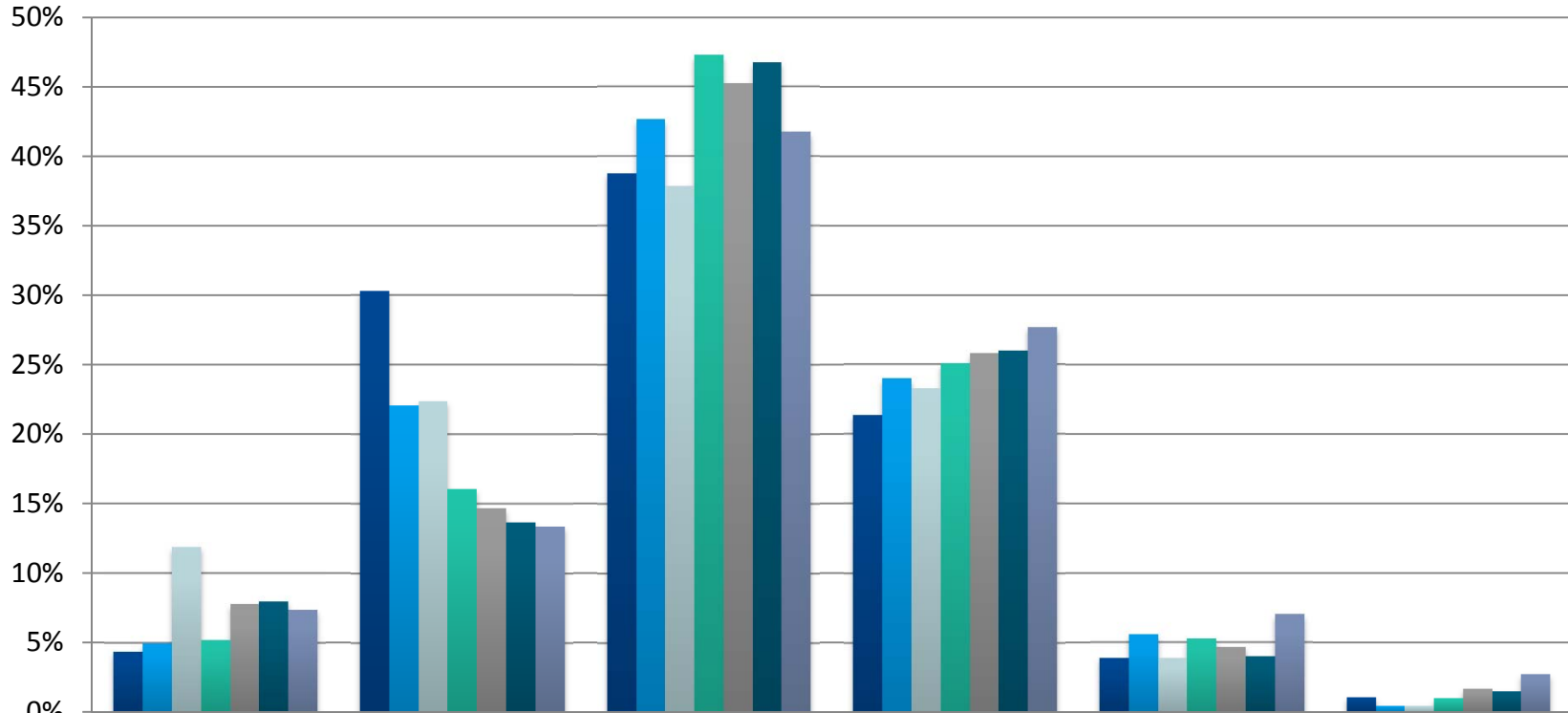
Key Messages from IFRS Readiness Survey Fall 2011

- **Familiarity with IFRS has remained relatively stable since May 2010**
 - Slight uptick this quarter not significant
- **Majority support SEC giving U.S. issuers an option to use IFRS**
 - 54% said yes, option should be available
 - 18% said no, remaining respondents were unsure
- **60% say FASB should not make changes to IFRS, or changes should be rare, if SEC follows an endorsement approach for IFRS**
- **U.S. entities continue to delay planning & preparing for IFRS**
- **Members support adoption of IFRS, although more convergence is desired first**
 - 59% of respondents from US Public Companies and Public Practice believe 4 to years would allow enough time for implementation, 82% of respondents from Foreign Companies feel this way
- **A majority of members are aware of FASB/IASB convergence projects**

Familiarity with IFRS

Current Familiarity with IFRS

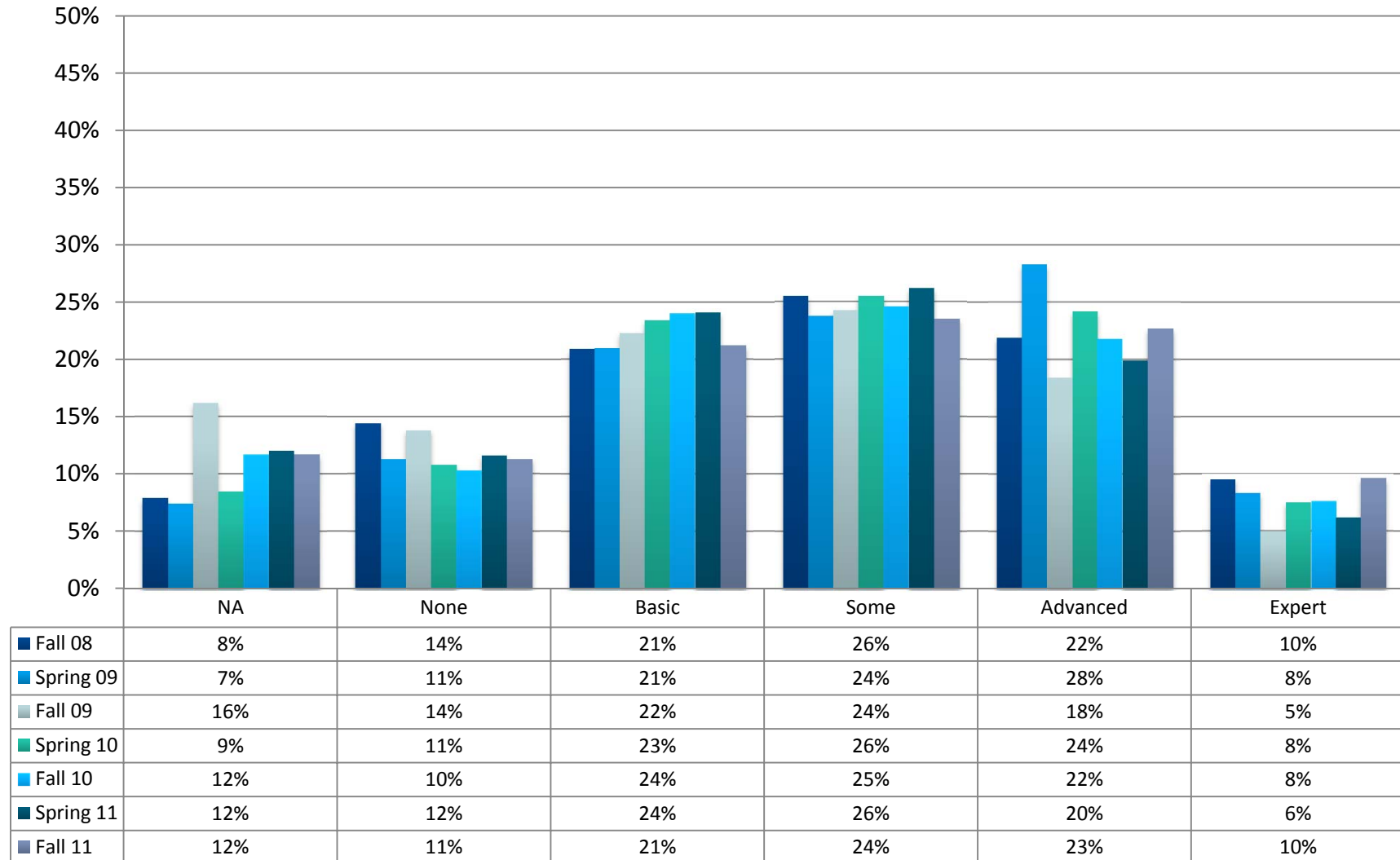
All Members



	NA	None	Basic	Some	Advanced	Expert
■ Fall 08	4%	30%	39%	21%	4%	1%
■ Spring 09	5%	22%	43%	24%	6%	1%
■ Fall 09	12%	22%	38%	23%	4%	1%
■ Spring 10	5%	16%	47%	25%	5%	1%
■ Fall 10	8%	15%	45%	26%	5%	2%
■ Spring 11	8%	14%	47%	26%	4%	2%
■ Fall 11	7%	13%	42%	28%	7%	3%

Needed Familiarity with IFRS

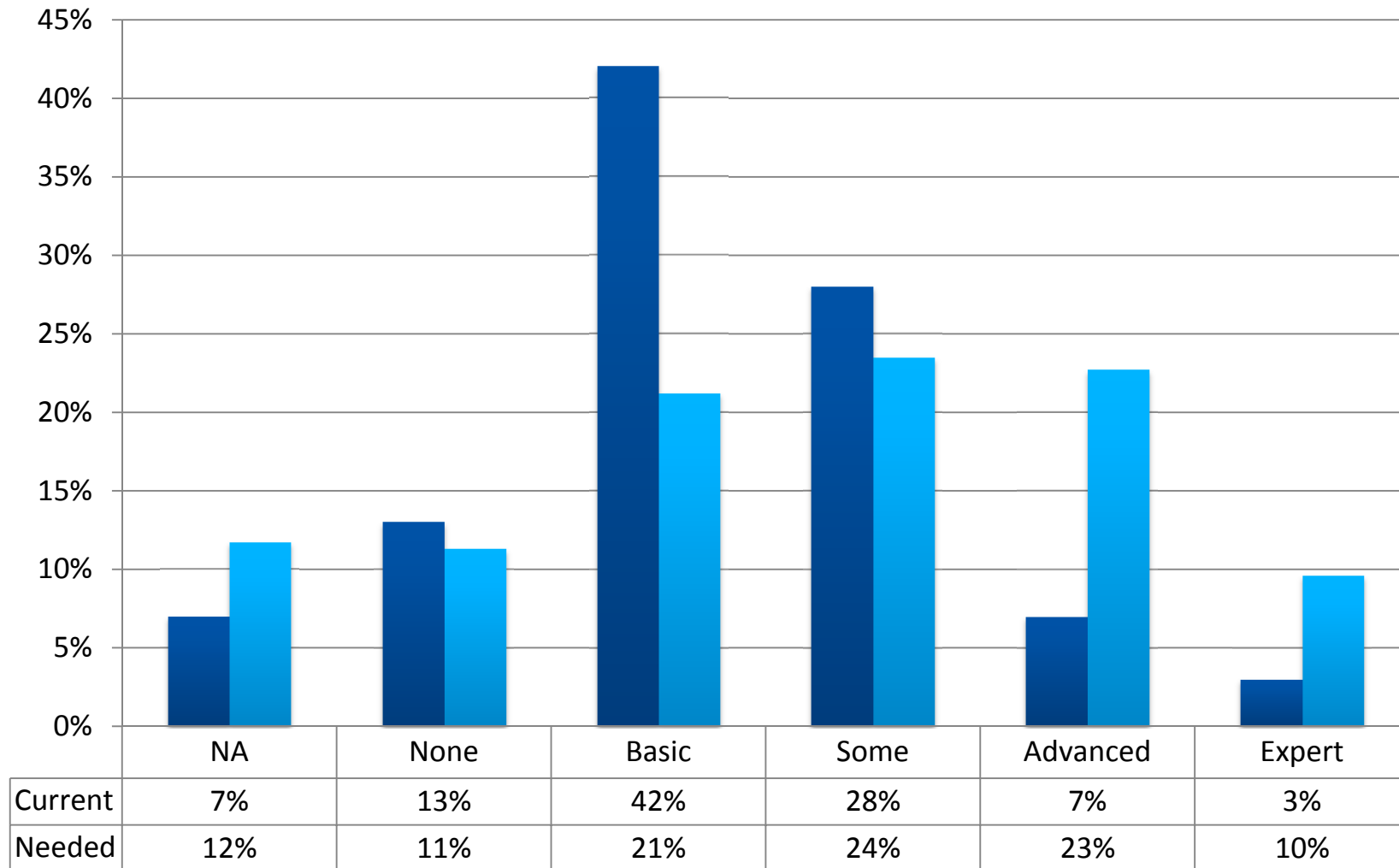
All Members



Familiarity with IFRS

Current vs Needed

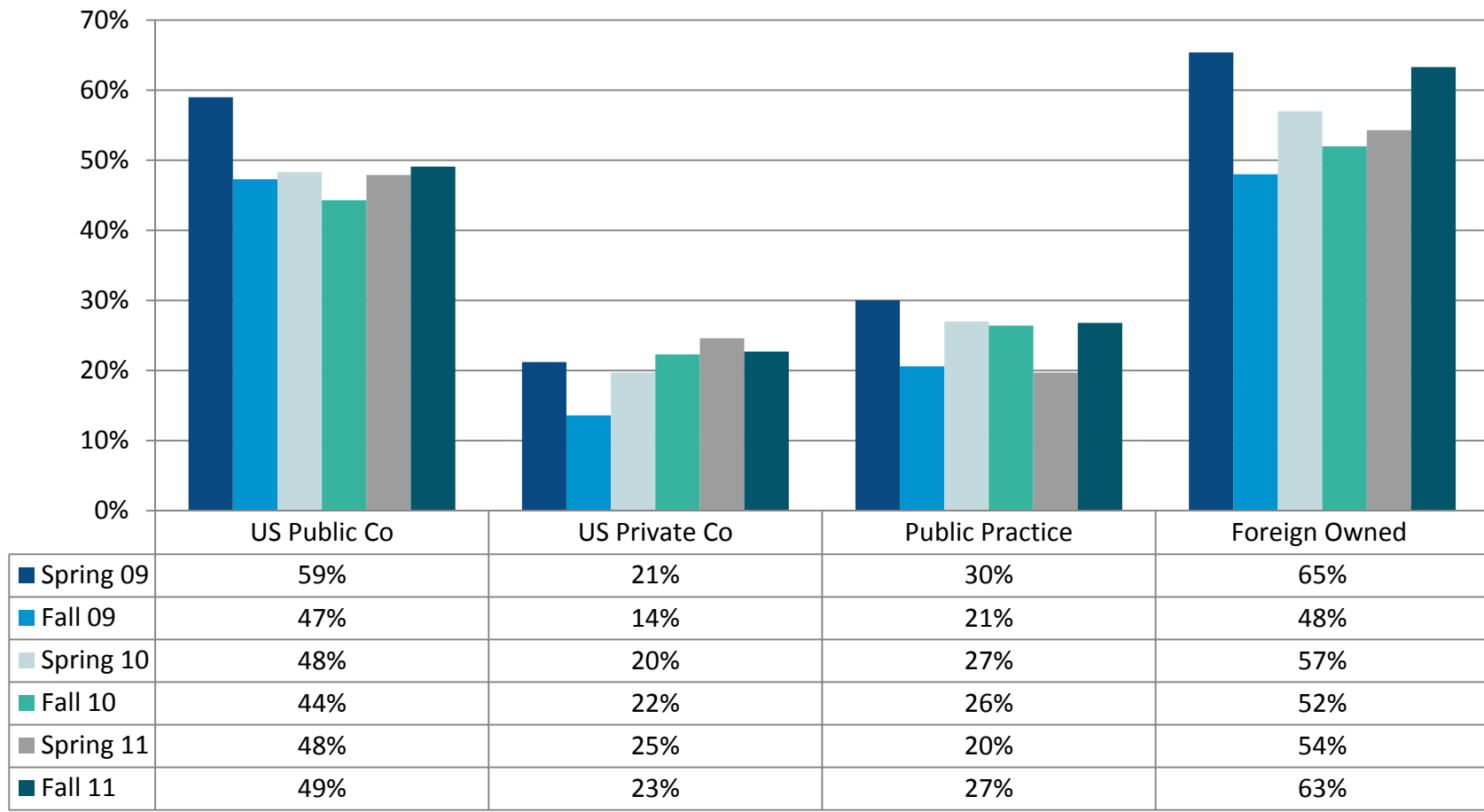
All Members



Who Needs Advanced & Expert Knowledge of IFRS?

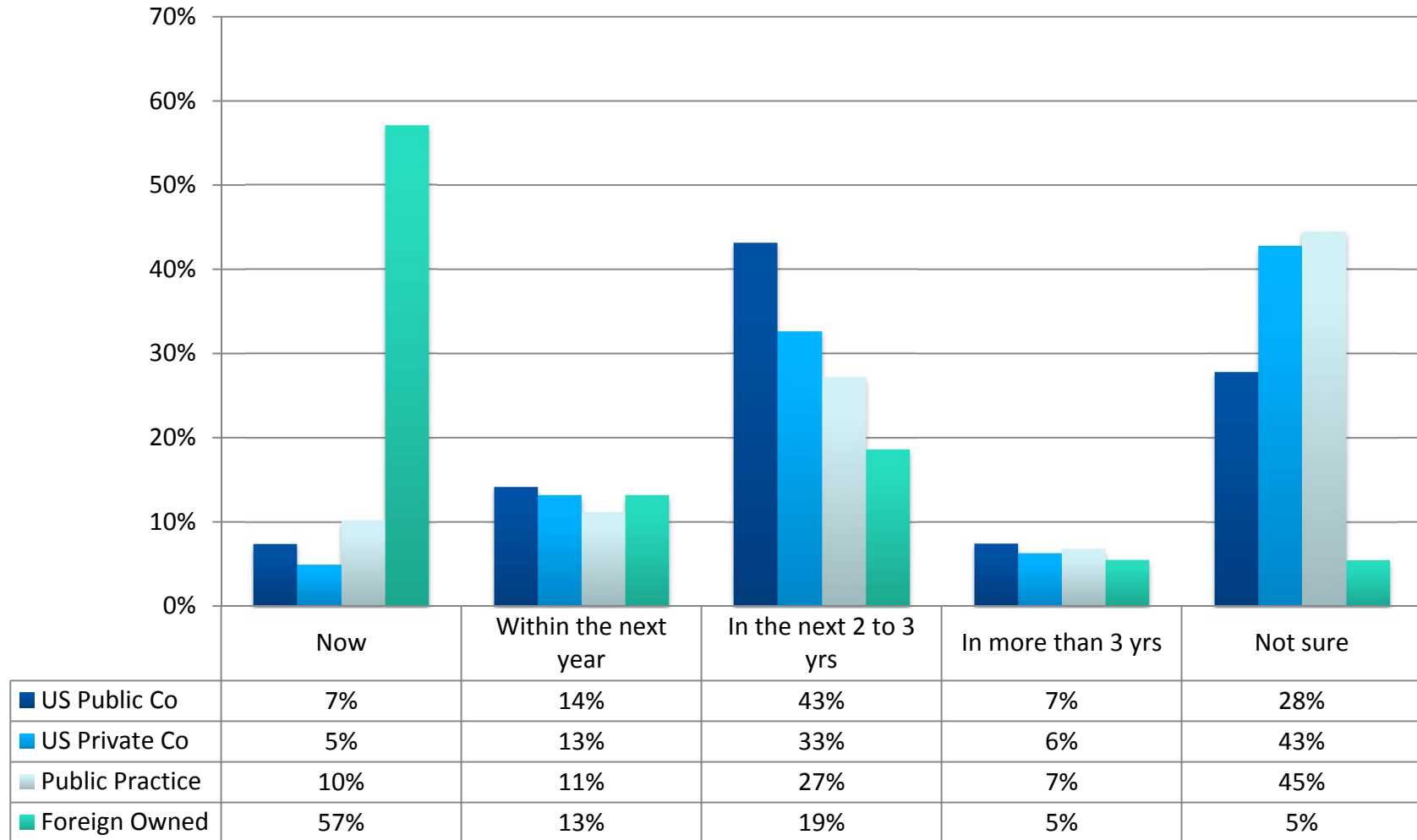
By type of organization

Percent that need Advanced or Expert Knowledge



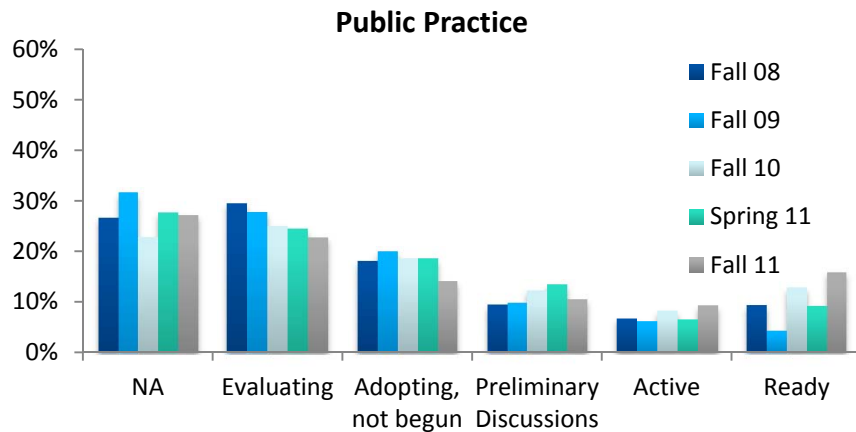
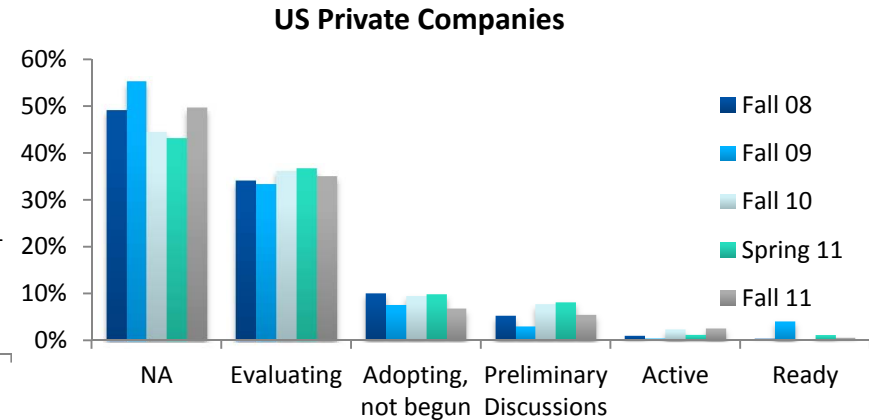
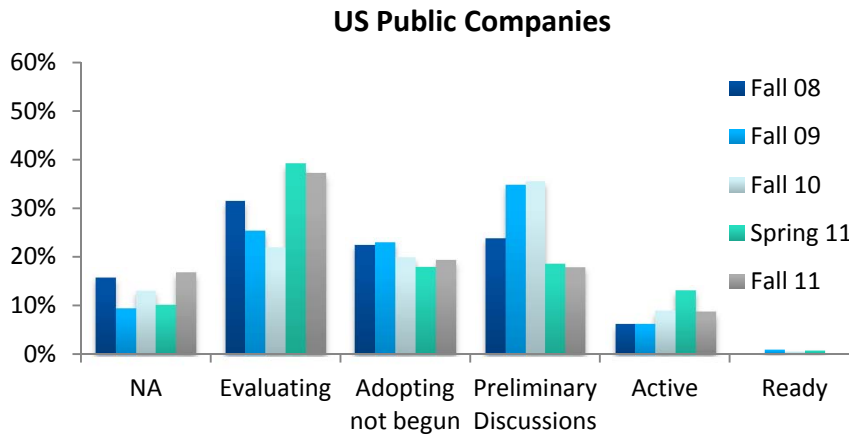
When is IFRS knowledge Needed?

By type of organization



Adoption and Implementation Plans

Prepared to Adopt/Support Adoption?

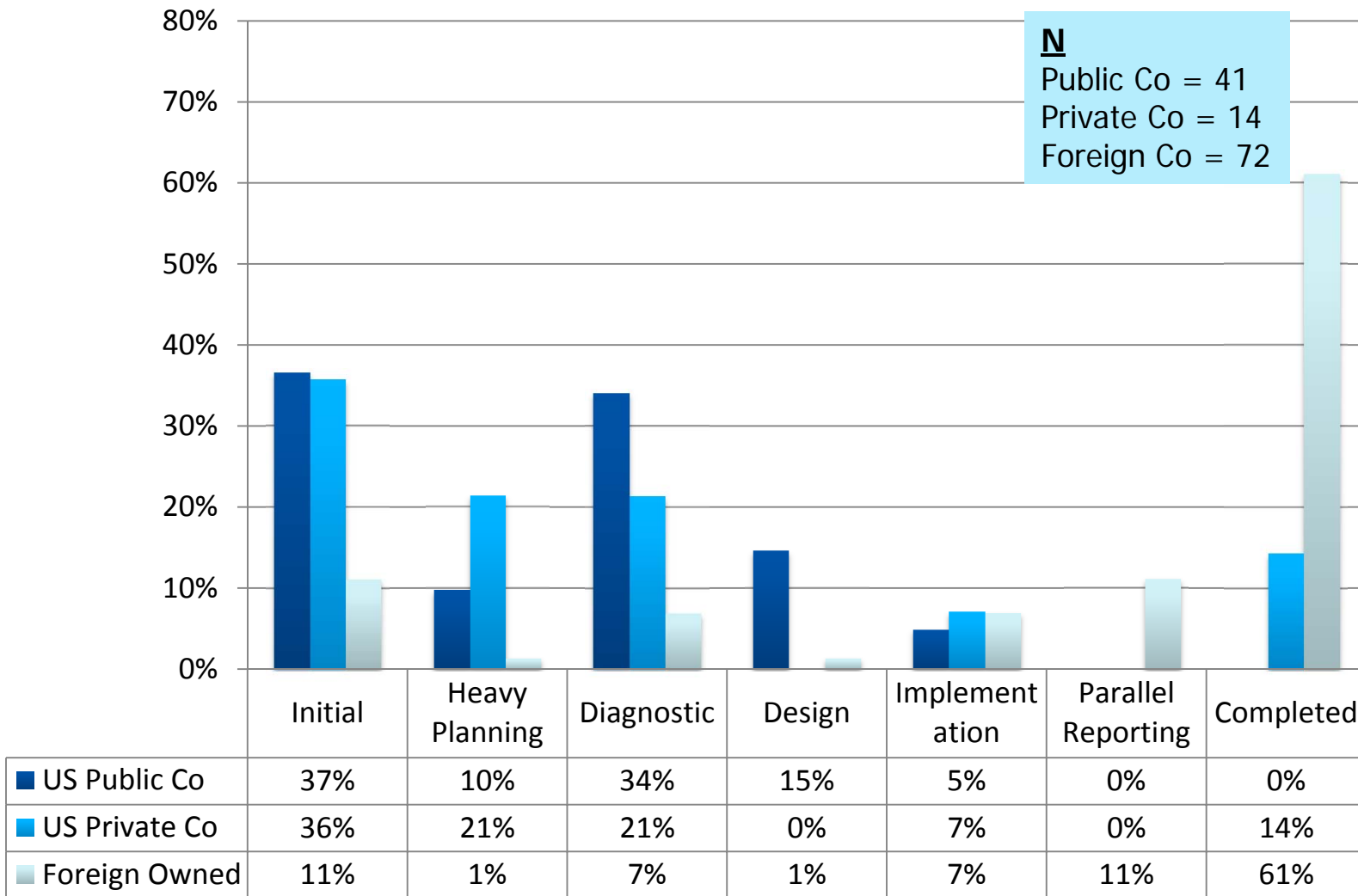


- After slowing moving out of the evaluation phase, in 2011 US Public companies reverted to that phase
- US Private Companies remain unlikely to be preparing for adoption
- Most public practice firms are still not prepared for IFRS adoption but there has been an increase in the number of respondent who indicate their firm is ready

Stage of Transition?

Asked only of companies in the Preliminary Discussions or Actively Preparing phase

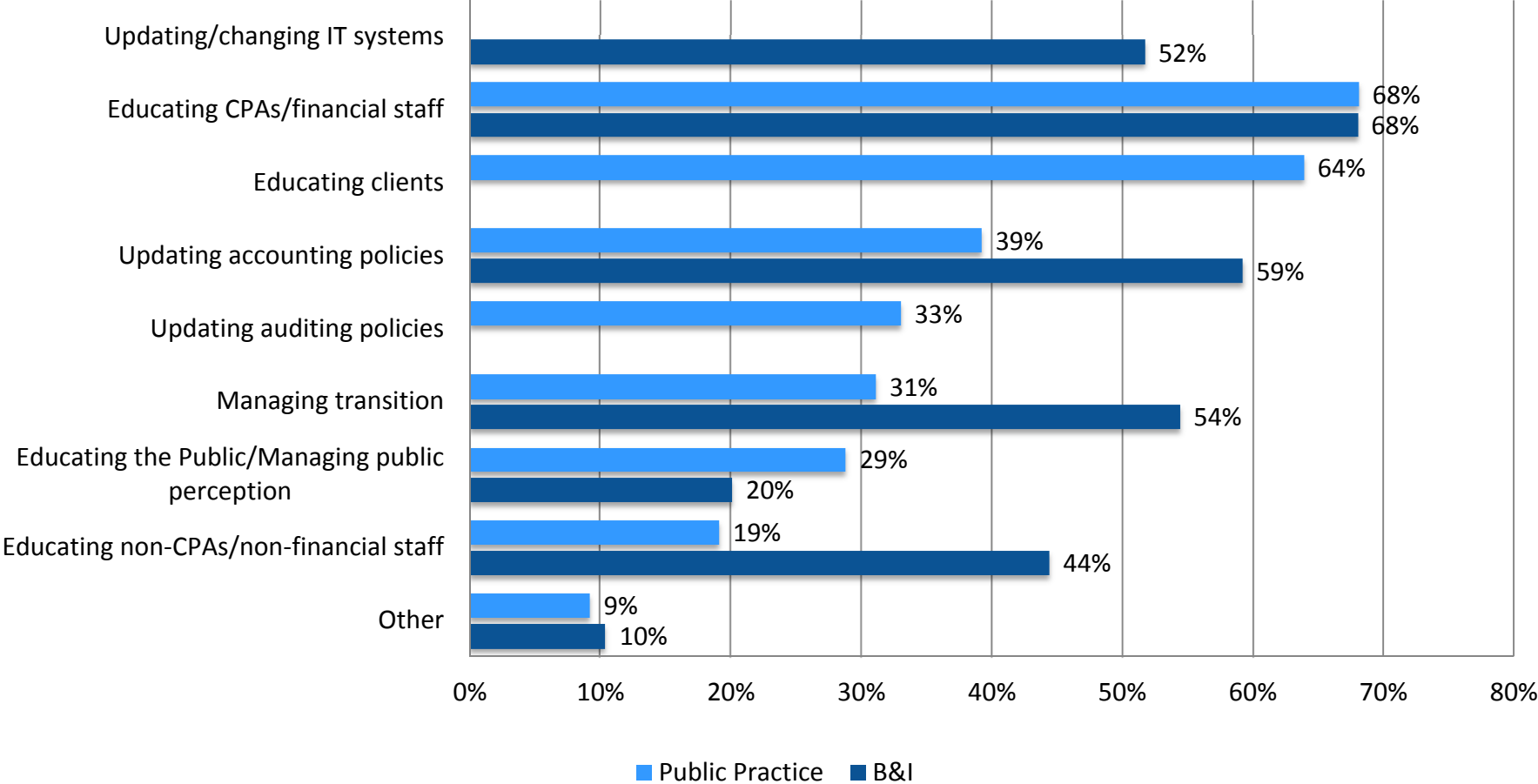
Please select the stage of transition that best describes the status of your implementation.



IFRS Implementation Challenges

All Members

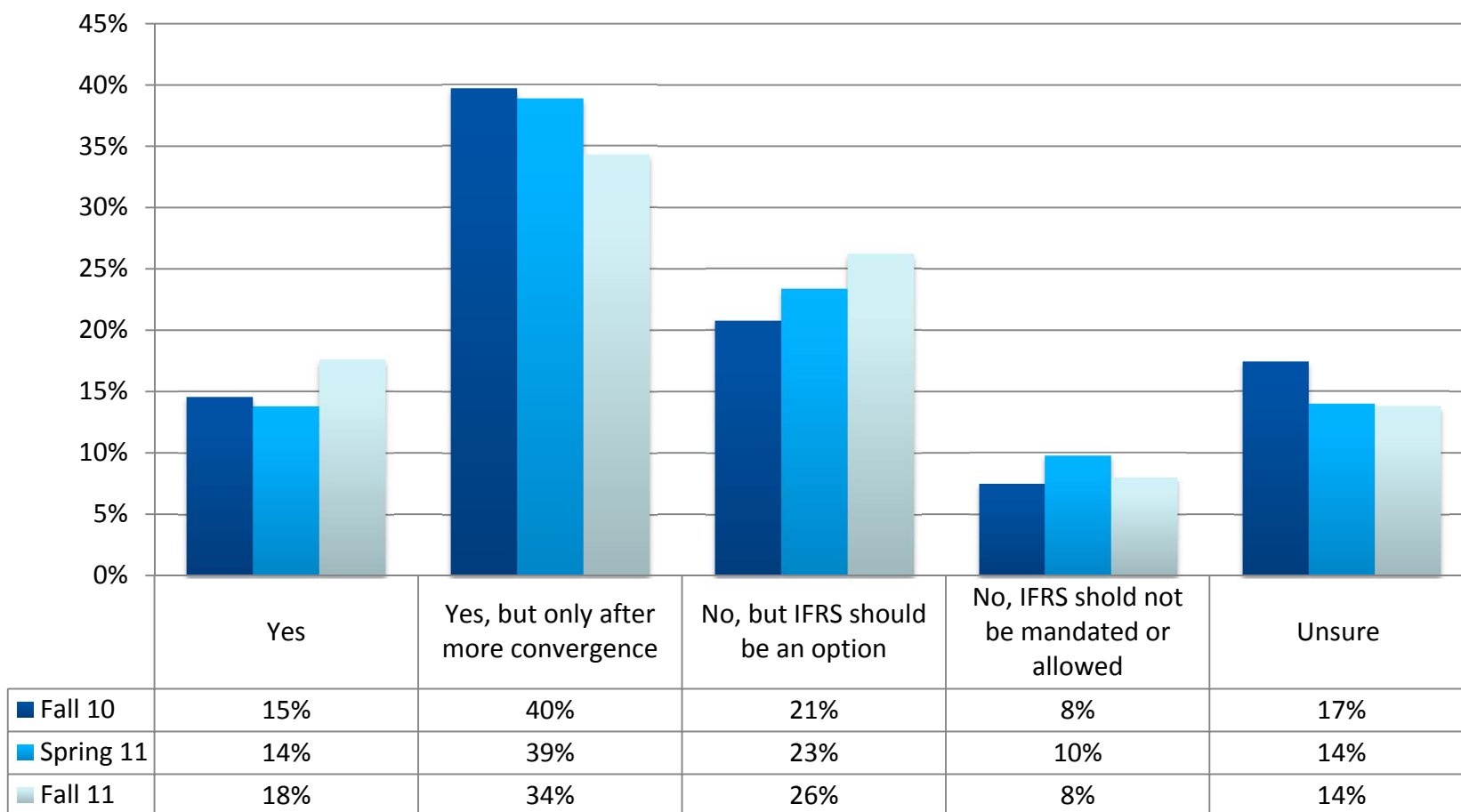
What are the largest challenges that implementing IFRS has presented/will present to your firm/company? (Select all that apply)



Views on SEC Decision

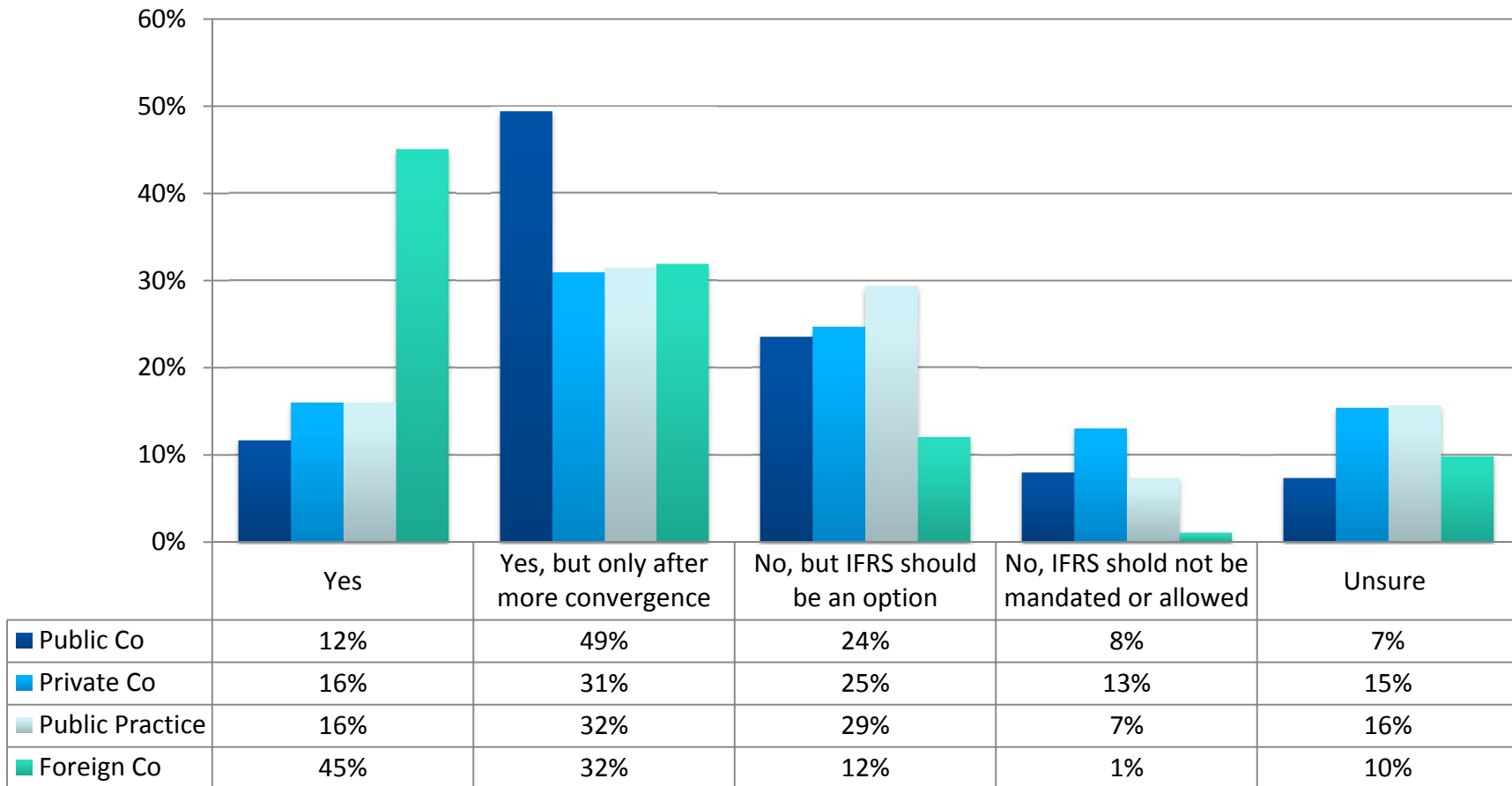
SEC Decision on IFRS?

On February 24, 2010 the SEC outlined a work plan for the continued consideration of whether and how to incorporate IFRS into the U.S. financial reporting for U.S. issuers. The work plan contemplates a ~~2011~~ decision on whether to require or permit IFRS. Do you believe ultimately the SEC should require adoption of IFRS for U.S. public companies?



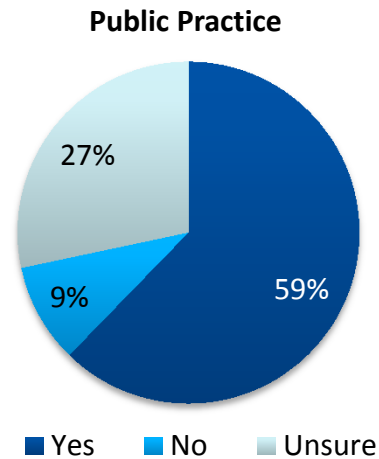
SEC Decision on IFRS? By type of organization

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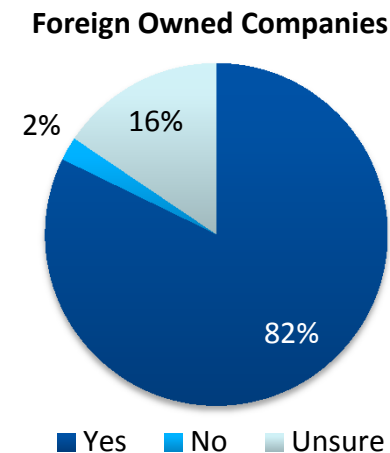
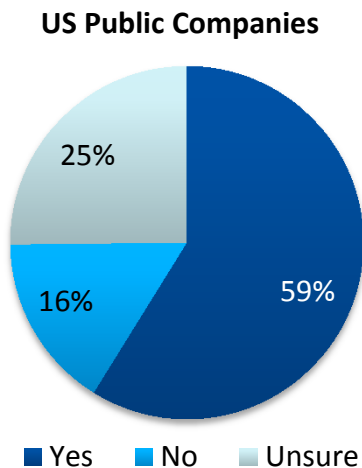


Timeline for IFRS Adoption?

If the SEC makes a decision in 2011 to require or permit use of IFRS for public companies, it believes the first time U.S. companies would report under the system would be 4 or 5 years later. Do you believe this timeline will allow enough time for implementation?

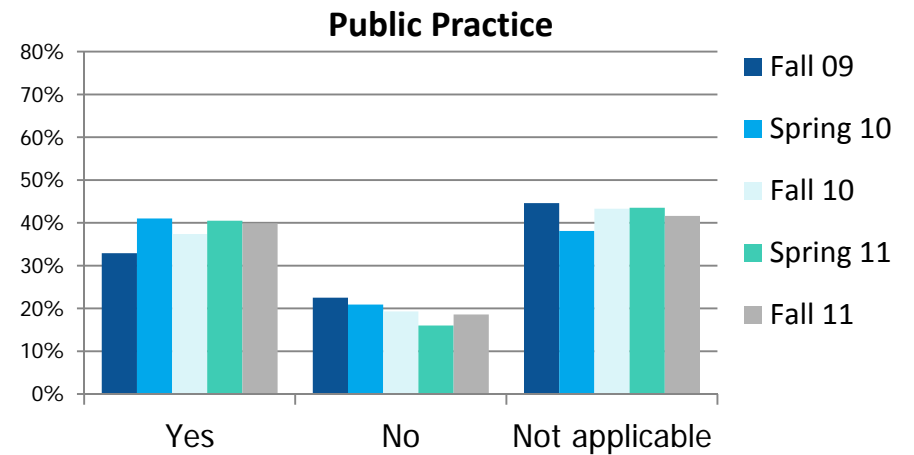
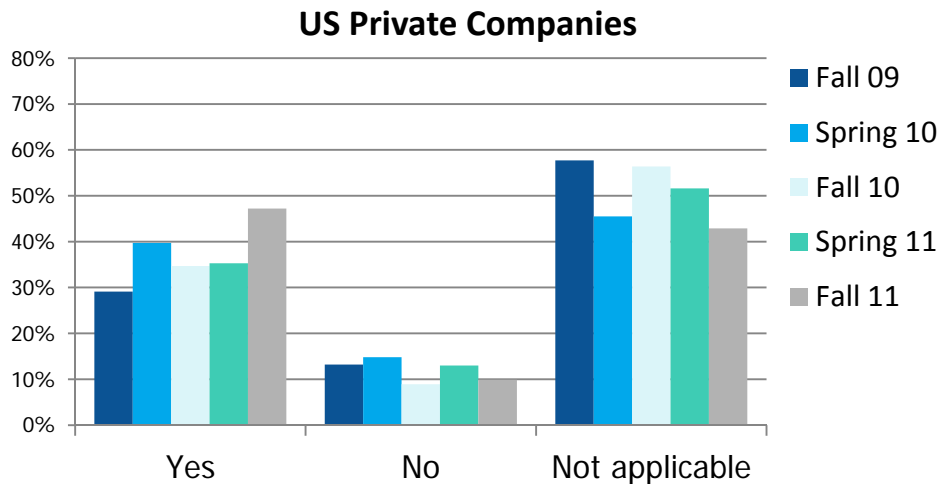
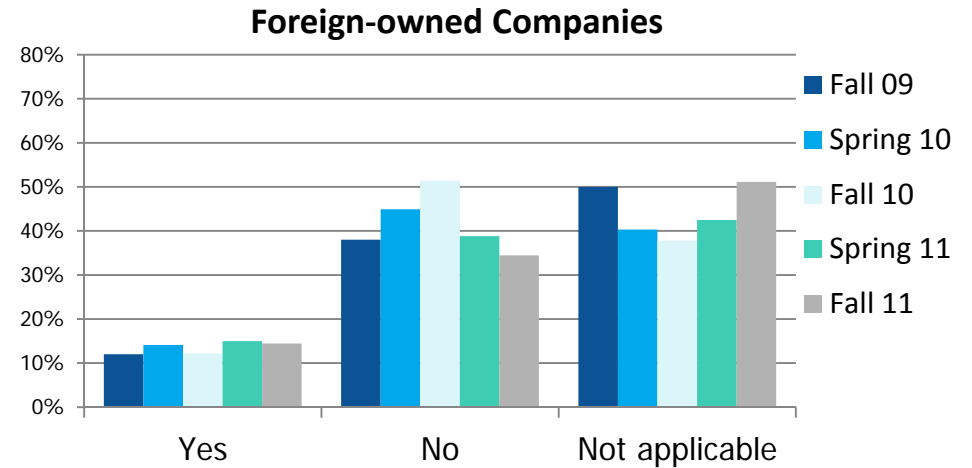
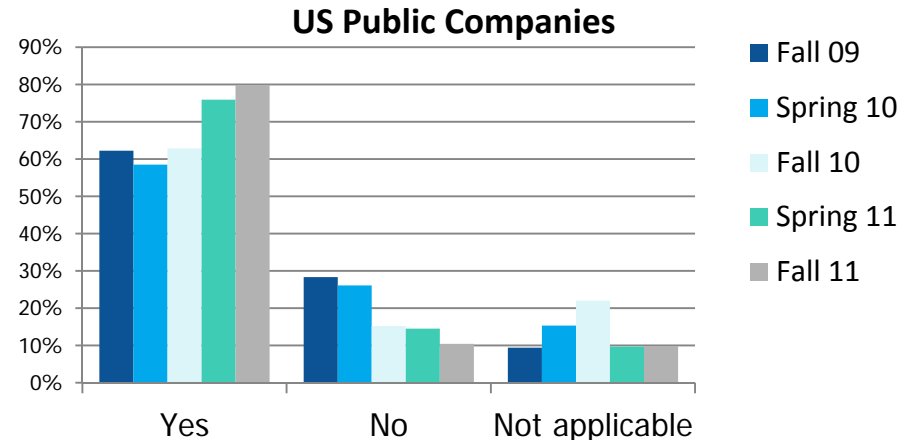


- Over half of respondents from US Public Accounting firms and Public Companies believe that 4 or 5 years would permit enough time for implementation
- Members from Foreign owned companies, most of whom already use IFRS are much more confident with 82% saying “yes” and only 2% indicating “no”



Delaying IFRS Preparations?

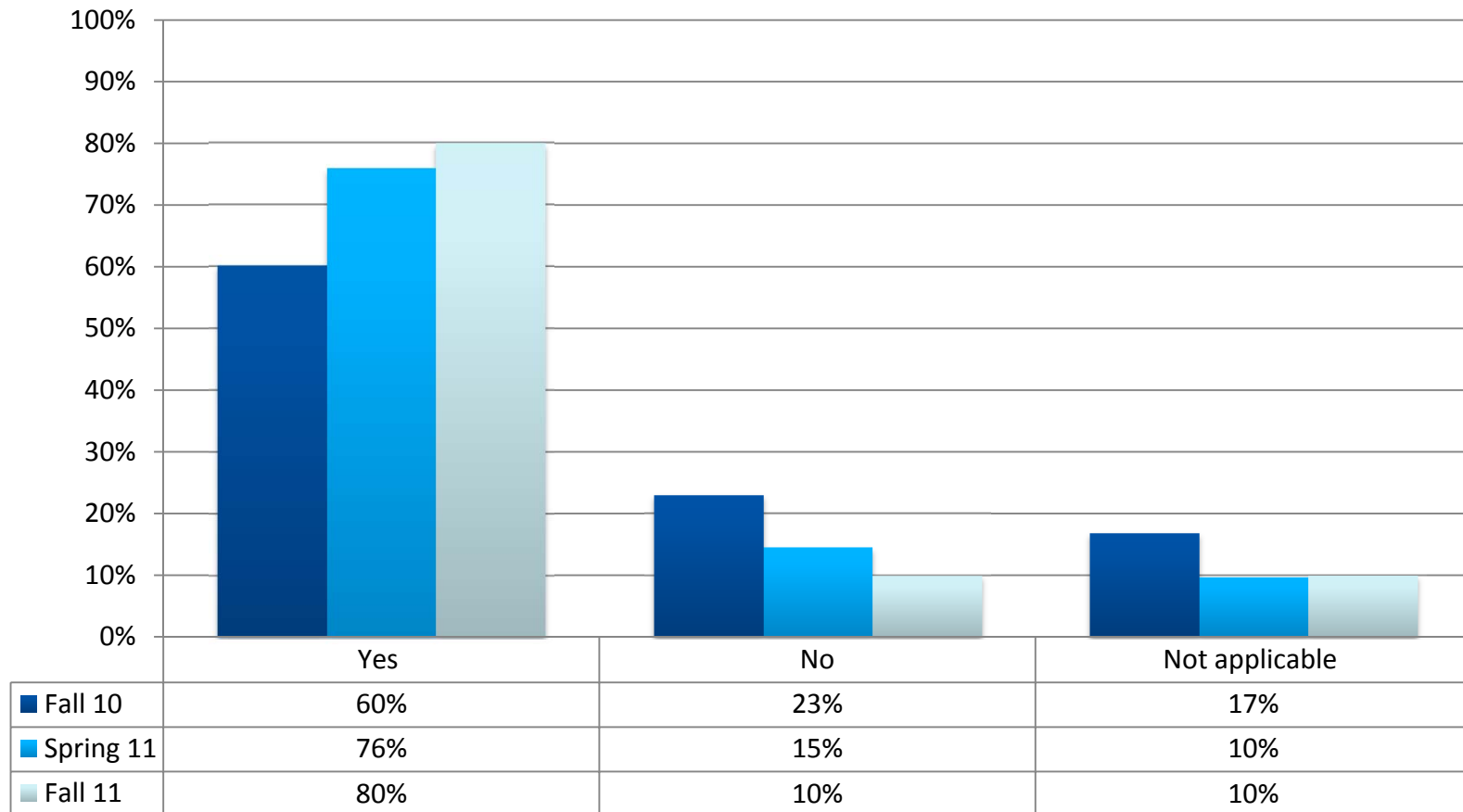
Are you delaying IFRS preparations until the SEC announces a decision with respect to IFRS?



More US Public Companies are Delaying Preparations for IFRS

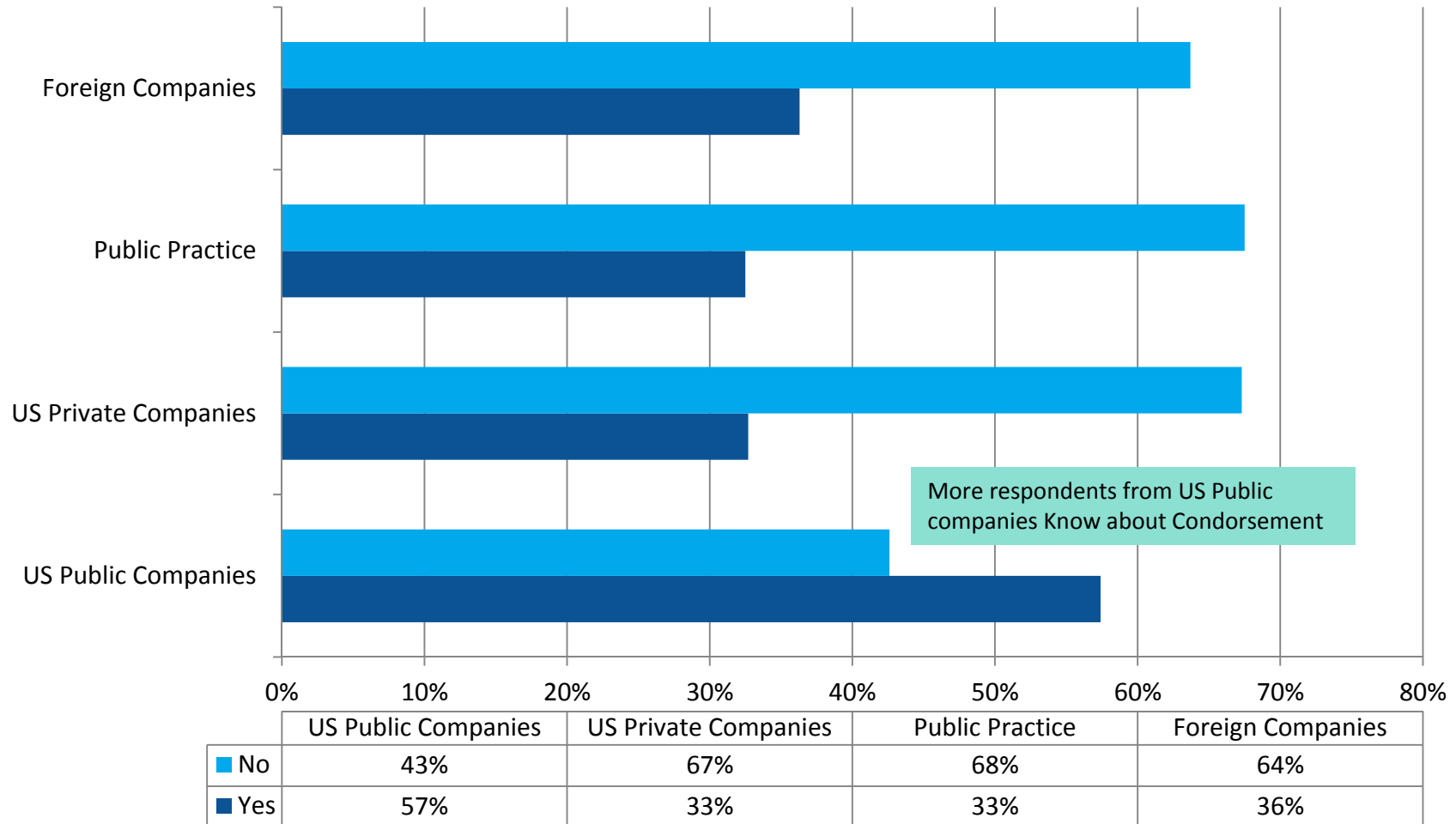
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US Public Companies Only



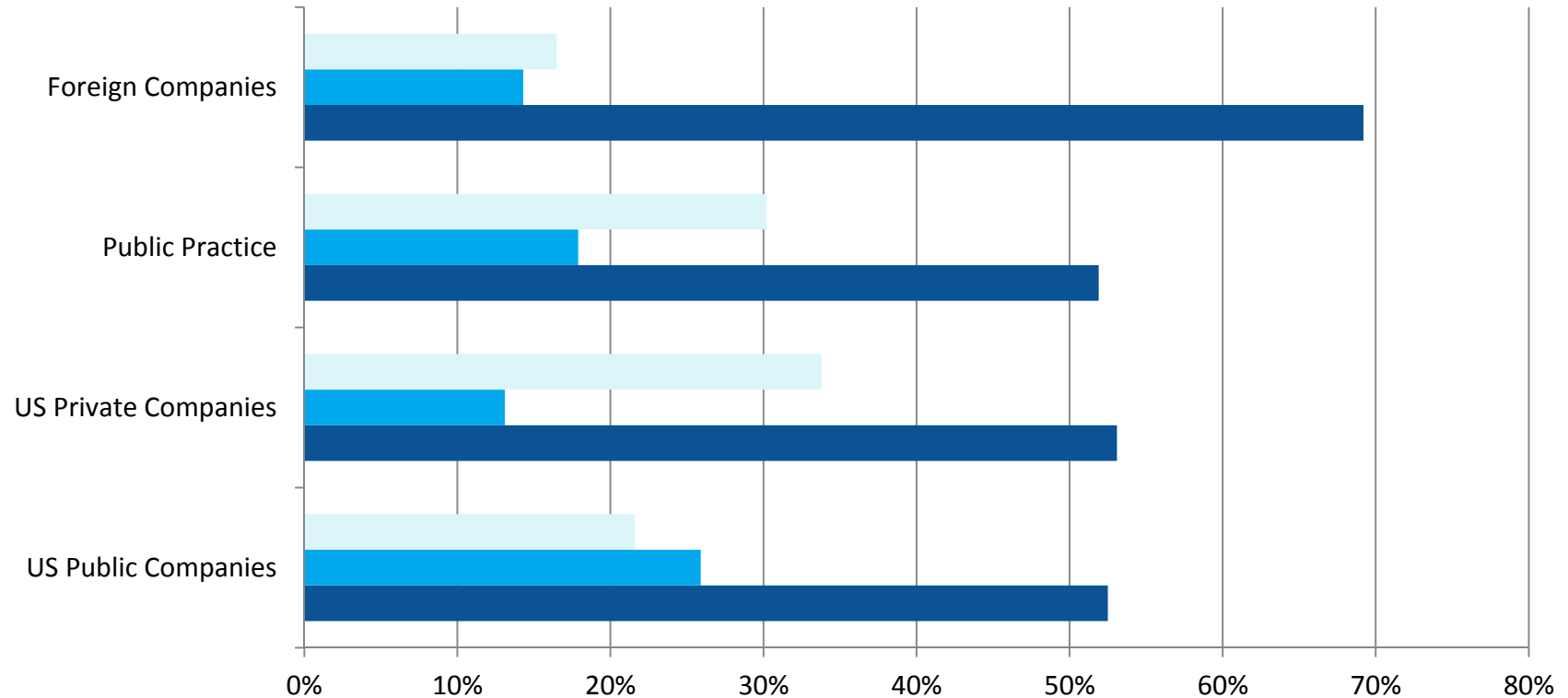
Awareness of Condorsement

On May 26, 2011, the SEC released a Staff paper outlining a possible method of incorporating IFRS into the financial Reporting system for U.S. issuers called "condorsement"; that would be a hybrid approach of endorsement and convergence on a standard by standard basis. Are you aware of this suggested model?



Option to Adopt IFRS

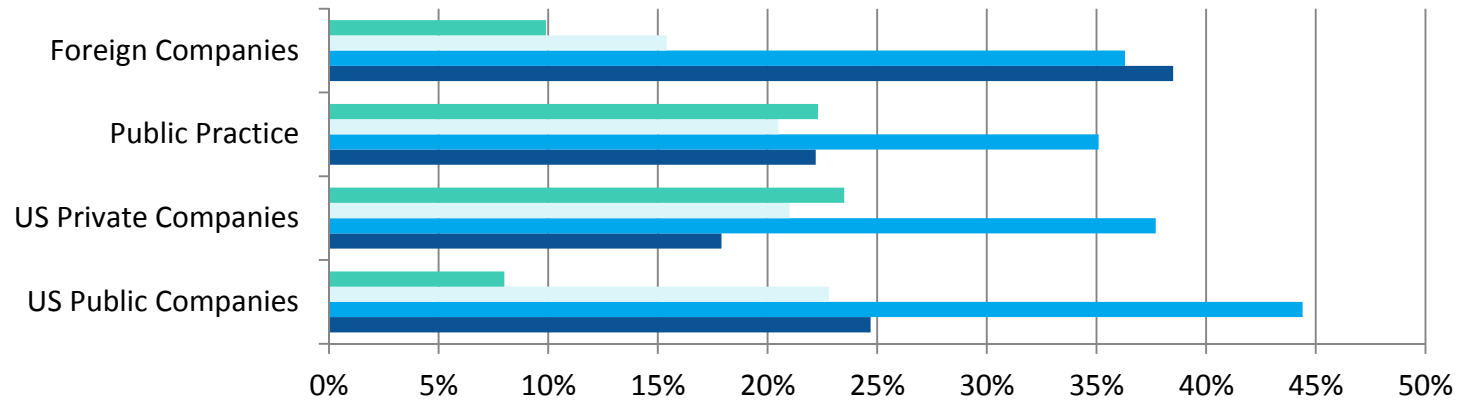
Whether or not the SEC decides to incorporate IFRS into the U.S. financial reporting system through an endorsement/convergence approach, do you believe that U.S. issuers should be given the option, consistent with Foreign Private Issuers, to adopt IFRS as issued by the IASB?



	US Public Companies	US Private Companies	Public Practice	Foreign Companies
Unsure	22%	34%	30%	17%
No	26%	13%	18%	14%
Yes	53%	53%	52%	69%

FASB Authority to Modify or Add to IFRS

Under the SEC proposed framework, FASB would have the authority to modify or add to the requirements of IFRS, including issuance of interpretative guidance for U.S. constituents. Do you believe:



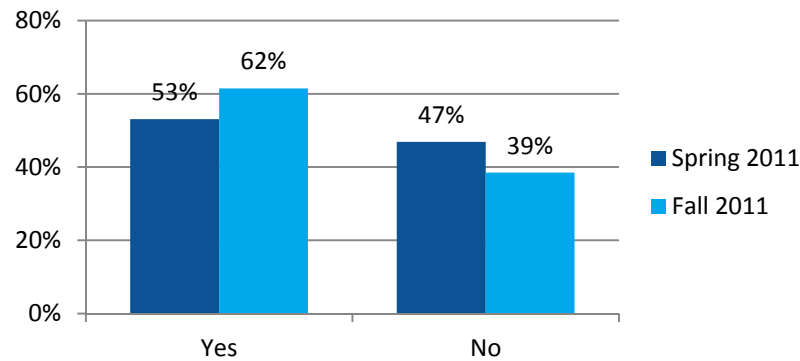
	US Public Companies	US Private Companies	Public Practice	Foreign Companies
■ Unsure	8%	24%	22%	10%
■ FASB should be able to modify and add to the requirements of IFRS for U.S. issuers	23%	21%	21%	15%
■ FASB should be able to modify and add to the requirements of IFRS for U.S. issuers, but modifications and additions should be rare	44%	38%	35%	36%
■ FASB should not be able to modify or add to the requirements of IFRS for U.S. issuers	25%	18%	22%	39%

IFRS for SMEs

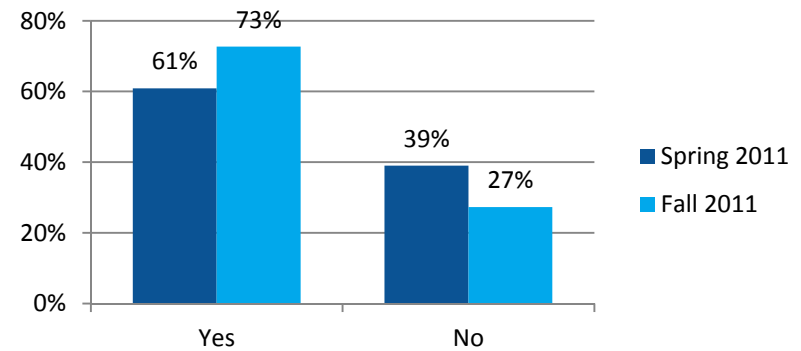
IFRS for Small & Medium-sized Entities?

Are you aware that the IASB 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?

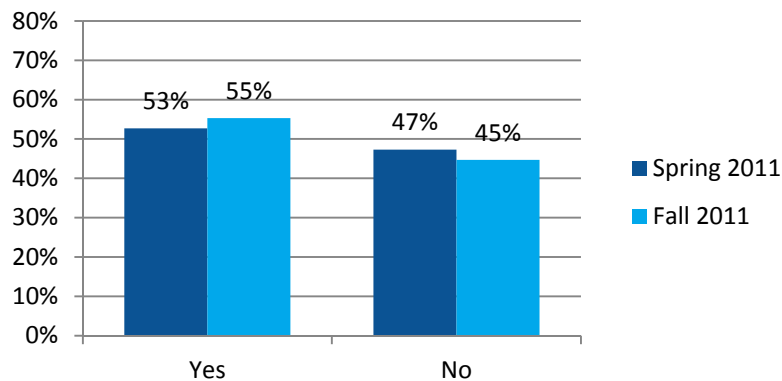
US Public Companies



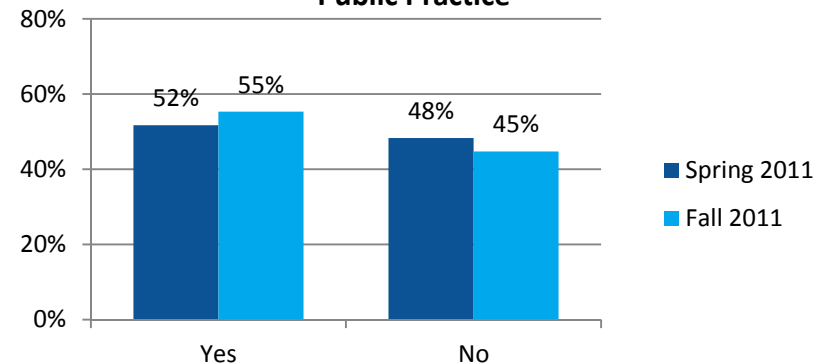
Foreign-owned Companies



US Private Companies

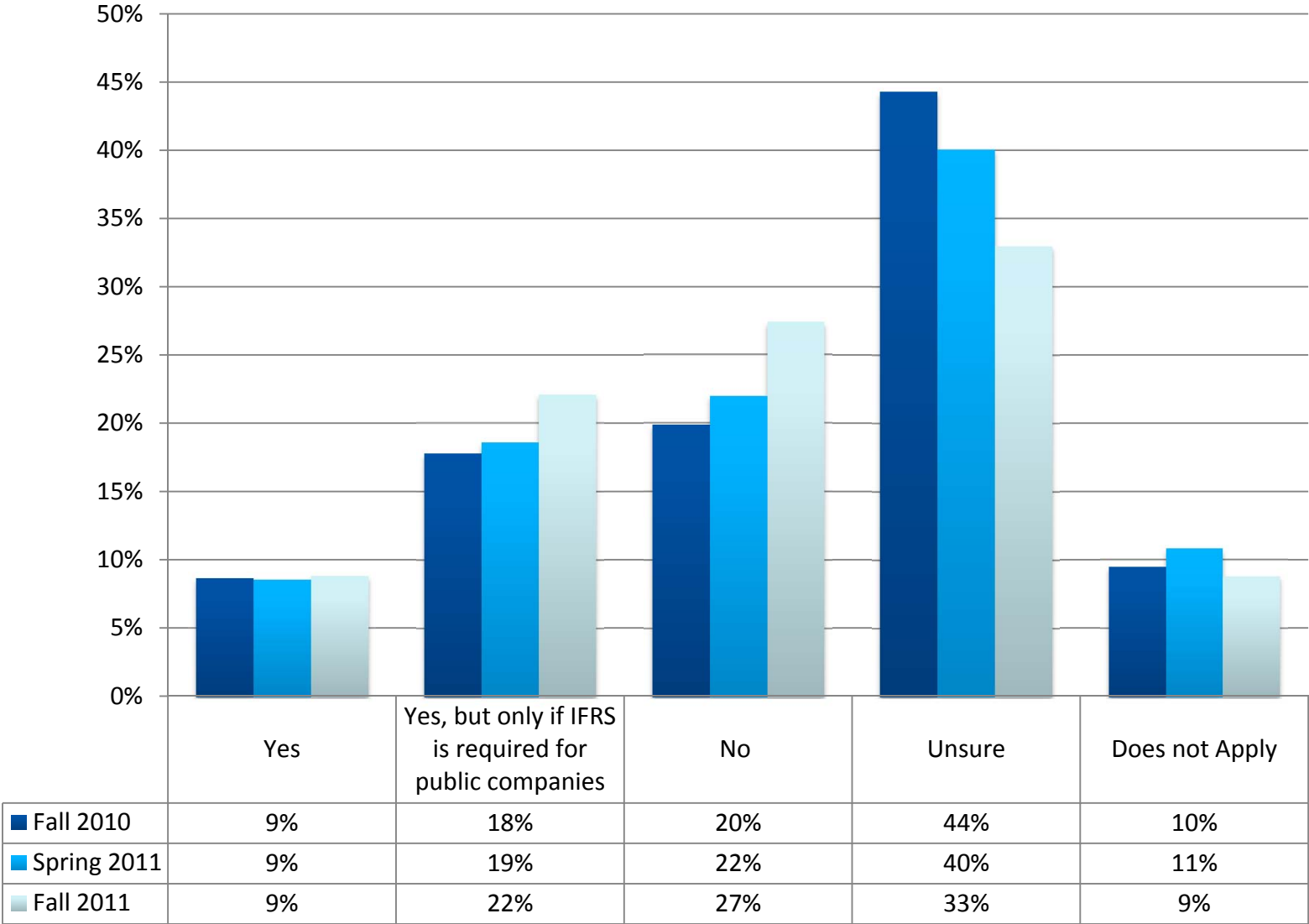


Public Practice



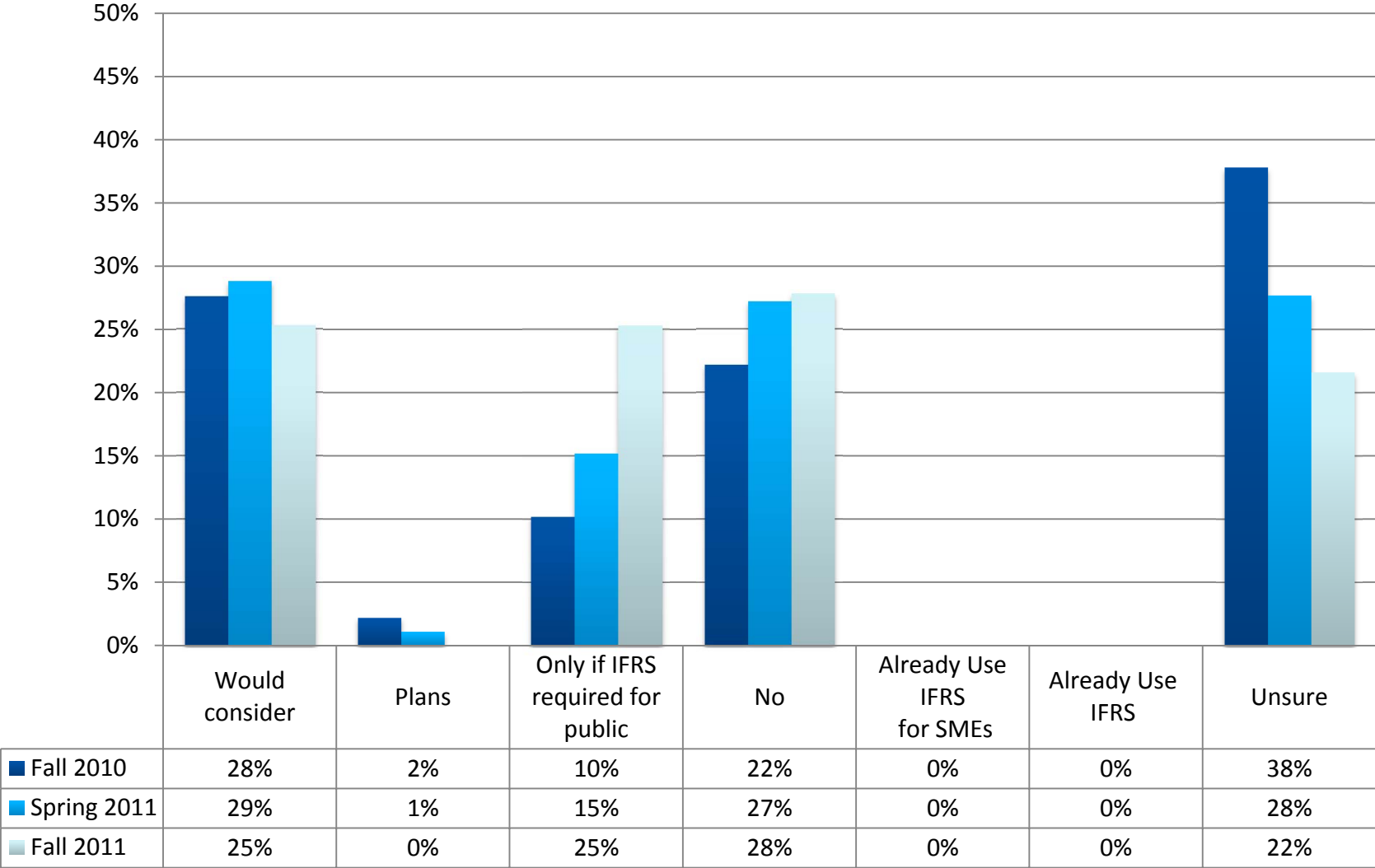
Adopt IFRS for SMEs? Public Practice

Would you advise your clients to consider adopting the IASB's recently issued IFRS for Small and Medium-sized entities?



Adopt IFRS for SMEs? US Private Companies

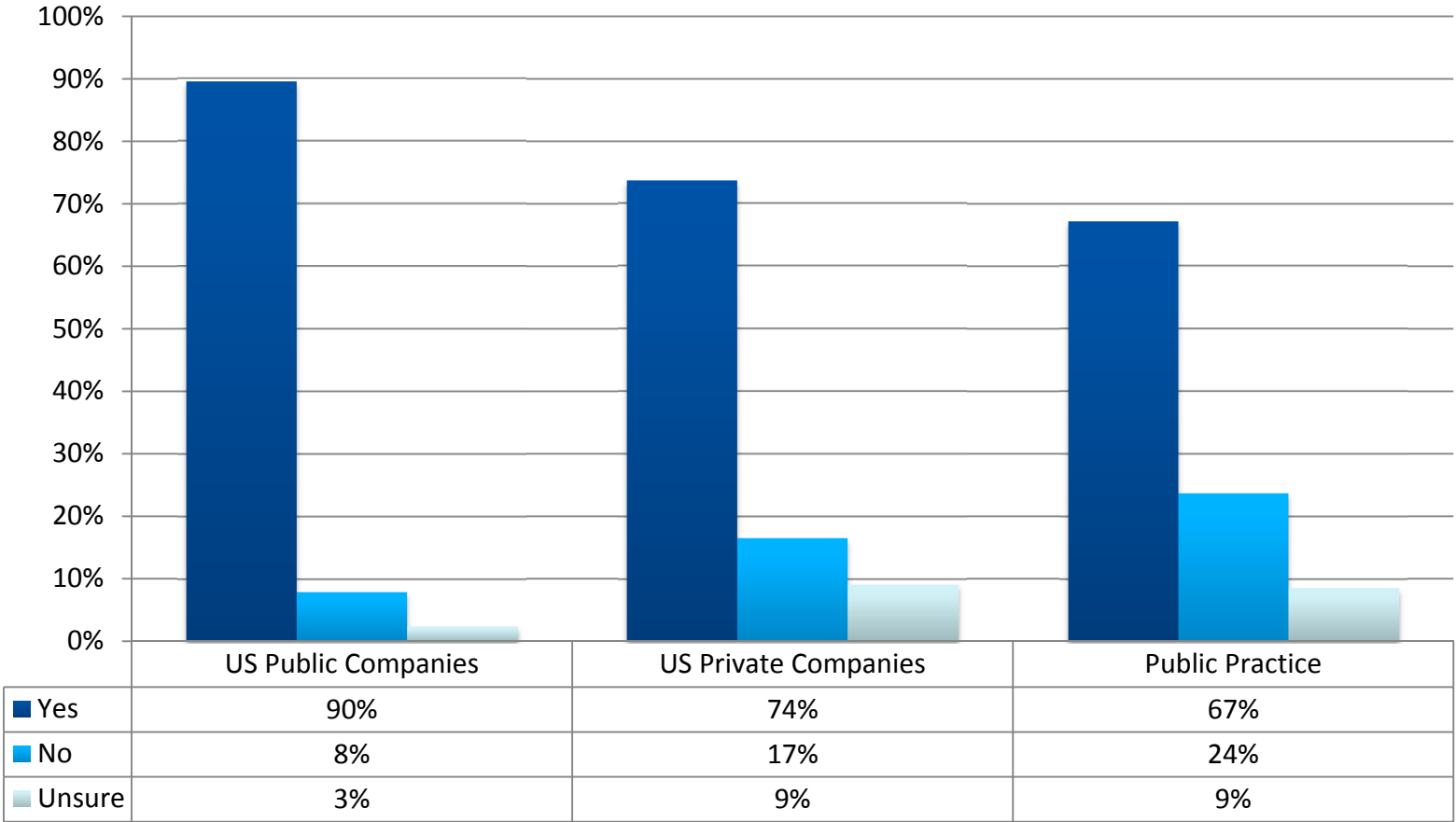
Would you consider adopting the IASB's recently issued IFRS for Small and Medium-sized entities?



Convergence

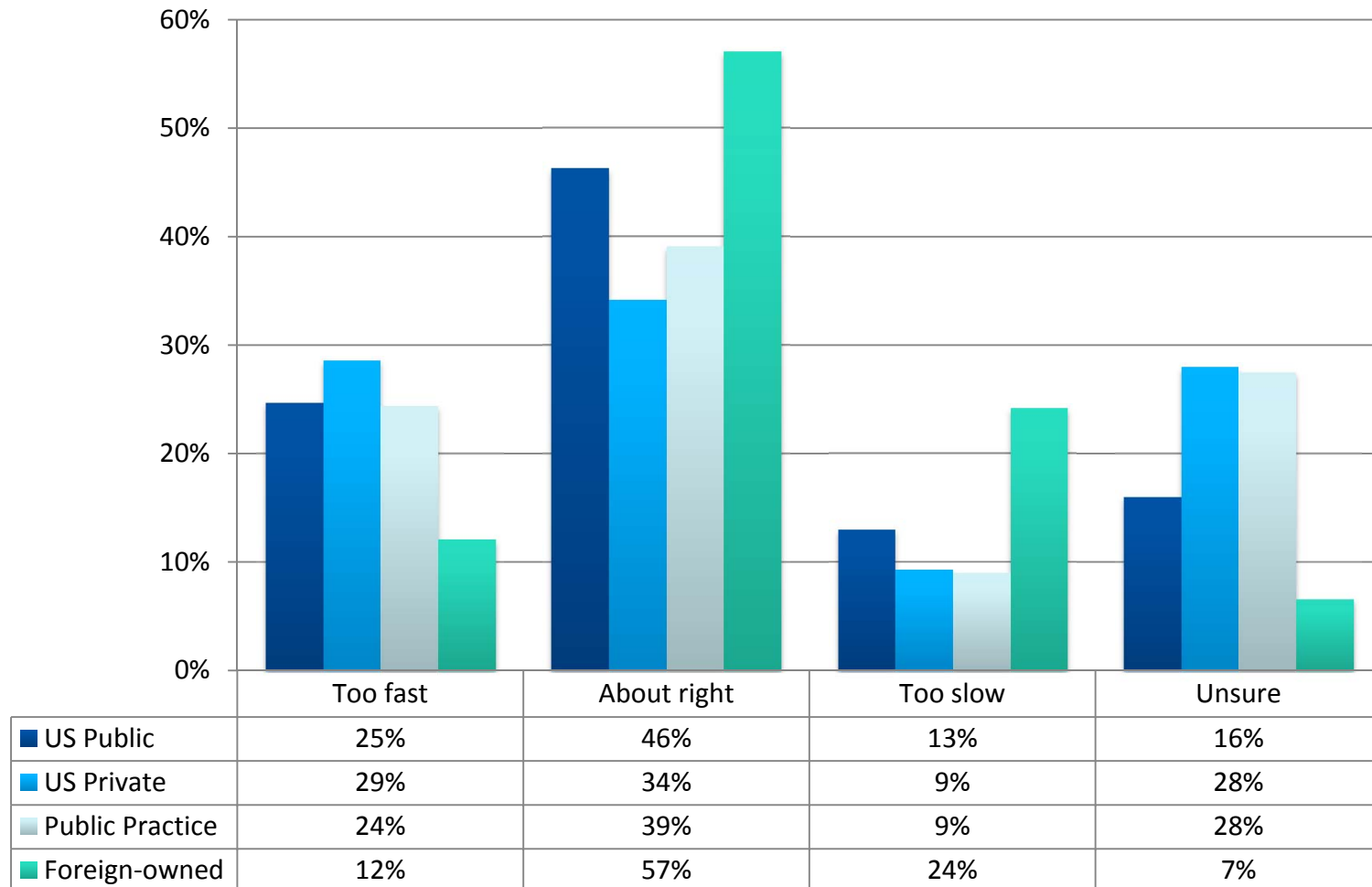
Convergence: Awareness of Priority Projects

Are you aware that the International Accounting Standards Board (IASB) and the U.S. Financial Accounting Standards Board (FASB) have identified several priority projects, including revenue recognition, leases and financial instruments for completion in 2011 and 2012?



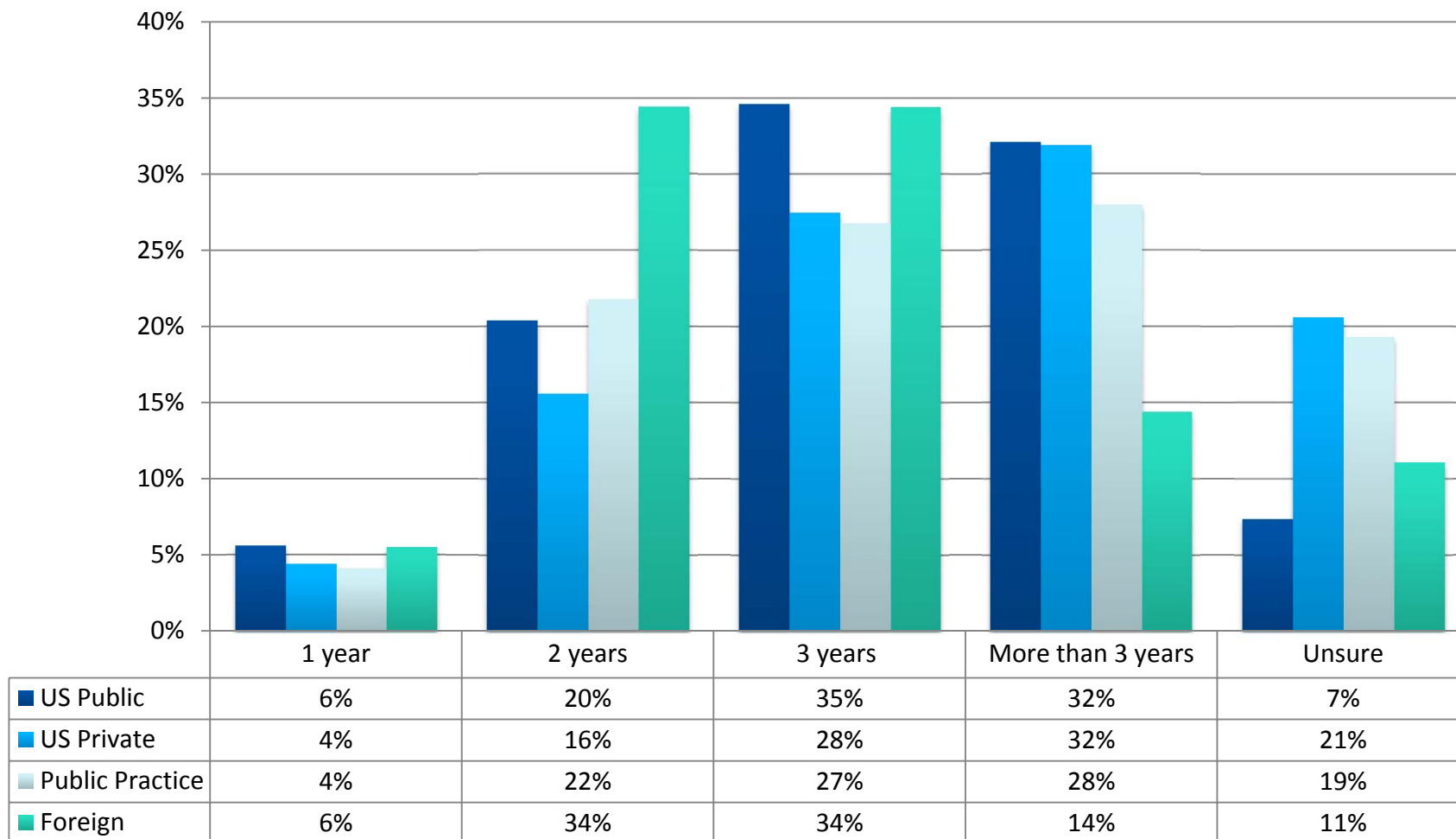
Convergence: Pace of Change

By 2012, FASB and IASB plan to complete major convergence projects outlined in their Memorandum of Understanding and issue several new accounting standards codification updates and IFRS amendments. What is your opinion about the pace of change?



Implementation time

How long of an implementation period do you believe will be needed to adopt the new converged standards?

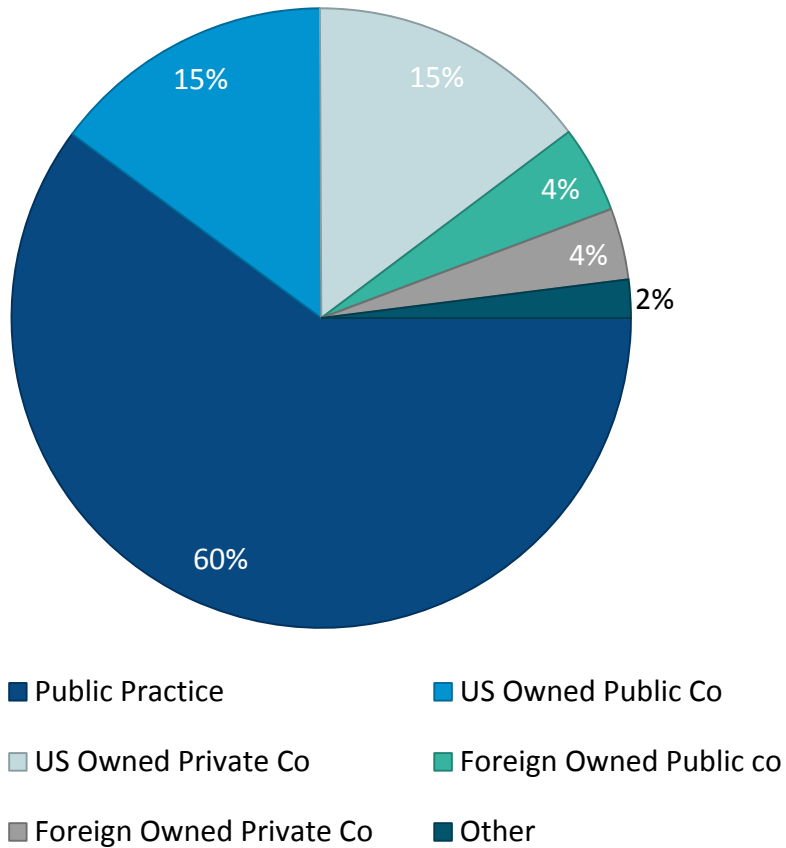


Demographics

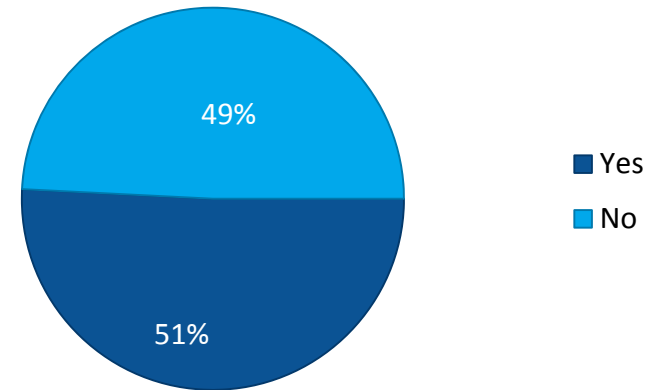
Respondent Demographics

All Members

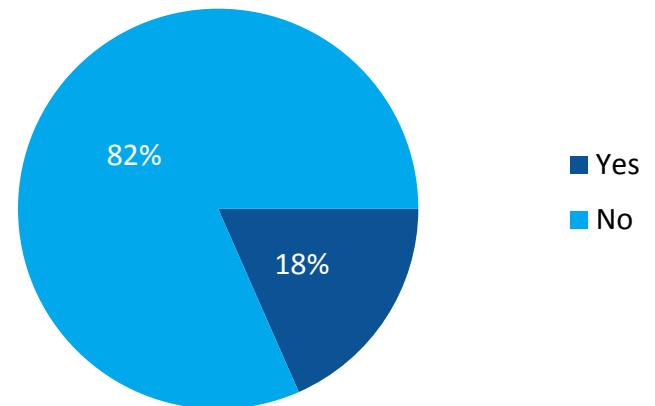
Respondents by Organization Type



Multinational Company (B&I)?

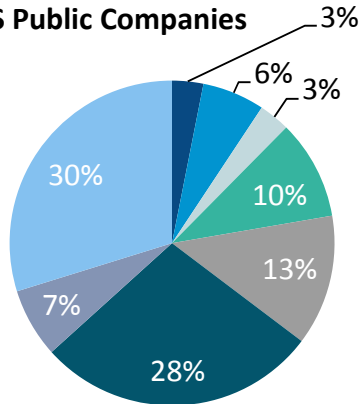


Multinational Firm (PA)?



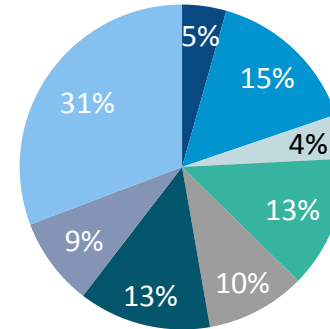
Organization Size

US Public Companies



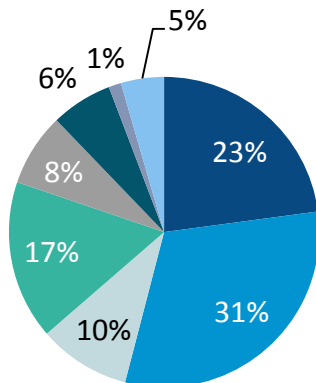
- \$0 to under \$10M
- \$10M to under \$50M
- \$50M to under \$100M
- \$100M to under \$500M
- \$500M to under \$1B
- \$1B to under \$5B
- \$5B to under \$10B
- over \$10B

Foreign-owned Companies



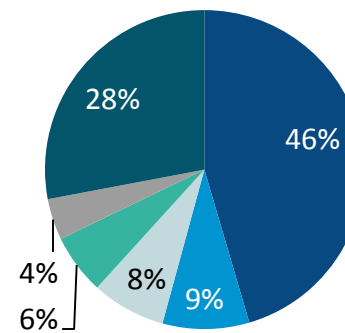
- \$0 to under \$10M
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- \$50M to under \$100M
- \$100M to under \$500M
- \$500M to under \$1B
- \$1B to under \$5B
- \$5B to under \$10B
- over \$10B

US Private Companies



- \$0 to under \$10M
- \$10M to under \$50M
- \$50M to under \$100M
- \$100M to under \$500M
- \$500M to under \$1B
- \$1B to under \$5B
- \$5B to under \$10B
- over \$10B

Public Practice



- Less than \$3M
- \$3M to under \$6M
- \$6M to under \$10M
- \$10M to under \$20M
- \$20M to under \$40M
- Over \$40M