

## Convergence – The future of international financial reporting worldwide

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Jon Symonds

CFO AstraZeneca

### International Accounting Standards

There remains strong support for:

A single, comprehensive set of globally accepted accounting standards which is compatible with (as opposed to equivalent to) US GAAP

And even stronger support for:

Clear, principle based accounting standards that facilitate communication to shareholders and stakeholders

Preparers are now better organised

### Transatlantic CFO Group

#### European Round Table

#### 100 Group

- AZ
- Nestlé
- Siemens
- Philips
- Shell
- Unilever
- Telephonica
- GE
- Exxon Mobil
- Walmart
- Proctor & Gamble
- General Motors

Users and Big 4 need to get their act together

### Where we are today:

- Issues with first wave:
  - No body of GAAP established for IFRS
  - Conflict between IFRS and EU IFRS
  - inconsistent application
  - differences amongst Big 4
- Second wave already pushing conceptual framework boundaries
  - business combinations
  - performance reporting
  - role of fair values

## Where next:

- Agree boundaries of conceptual framework
  - what is the basis of measurement
- Performance reporting is an issue – it's at the heart of communication
- Reduce complexity to improve communication
- Agree agenda for next phase with all stakeholders – not just the SEC