
United States

Local stock exchanges

The New York Stock Exchange

<http://www.nyse.com/>

NASDAQ

<http://www.nasdaq.com/>

Rules for listed filings

IFRS required or permitted for listed companies?

No

Version of IFRS

Not applicable

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

Foreign private issuers may use IFRS as issued by the IASB. Companies using standards other than US GAAP or IFRS as issued by the IASB must reconcile back to US GAAP.

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

Not applicable. No local statutory financial statement requirements. Note, however, that unlisted (i.e. private) companies are allowed to report under IFRS as issued by the IASB or IFRS for SMEs.

Version of IFRS

Not applicable

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

No

IFRS conversion plans

Plans for converging

The Securities and Exchange Commission ("SEC") released its proposed written roadmap in November 2008 and reaffirmed its commitment to one global set of accounting standards in a statement released in February 2010. The SEC also issued a work plan with six areas that need to be addressed to enable the SEC to make a decision on whether to incorporate IFRS in the US public reporting structure. In July 2012, the SEC staff issued its final report regarding the Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers. The Staff report did not include a final policy decision as to whether IFRS should

be incorporated into the US financial reporting system, or how such incorporation should occur. Nor does the Staff report provide an answer to the threshold question of whether a transition to IFRS is in the best interests of US capital markets and US investors.

The lack of clear direction regarding IFRS is attributable to many factors, including the current status of the FASB's and IASB's convergence projects, and a focus by the SEC on other required rulemaking. The staff found little support for adopting IFRS as authoritative guidance in the U.S., and outright adoption would not be consistent with the method of incorporation followed by other major capital markets. However, the staff did find substantial support for exploring other methods of incorporating IFRS that demonstrate a U.S. commitment to the objective of a single set of high-quality, global accounting standards. Recently, the SEC staff discussed the potential for further incorporating IFRS into the US capital markets by allowing domestic issuers to provide IFRS-based information as a supplement to US GAAP financial statements without requiring reconciliation.

The U.S. still shows willingness to stay involved in global standard setting through regulatory activities and IASB interaction. For example, the SEC issued its draft strategic plan for 2014–2018, which states that one of its initiatives is to work to promote high-quality, financial reporting worldwide, and consider, among other things, whether a single set of high-quality, global accounting standards is achievable. However, it does not mention IFRS specifically.

Additionally, while the FASB and IASB issued converged revenue recognition guidance, convergence is no longer likely for the other convergence projects: financial instruments, insurance and leases. No new joint projects are currently being contemplated, and it is expected that the boards will shift attention to their individual agendas.

For further details, see www.pwc.com/usifrs.

Other useful websites

Financial Accounting Standards Board
<http://www.fasb.org/>

Securities Exchange Commission
<http://www.sec.gov/>

Tax information

Type of tax regime

Independent: Taxable profit is determined in accordance with a specific set of tax rules with little or no direct reliance on the legal entity statutory accounts.

Comments on tax regime

The US does not have a requirement to file statutory accounts. The US has a comprehensive tax law, which provides specific rules to calculate taxable income. There are a limited number of situations where financial accounting directly impacts tax, e.g. the LIFO inventory method and the recognition of advance payments. Adoption of IFRS could impact the cash tax position of a company depending on the accounting methods adopted and elections made under the tax law, and any future guidance issued by the tax authorities.

Plans for IFRS converging as the basis of tax reporting

The local tax authorities have not announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SMEs.