**DON’T WASTE A GOOD CRISIS**

I wish to re-iterate what I said on October 8, 2008 at Confex conference. We were then at the beginnings of a financial crisis.

The world will move from financial crisis to fiscal crisis, and to economic crisis. In many ways the developed governments (through their stimulus packages) moved the burden from the private sector to themselves. Unemployment, bankruptcies governmental deficits, slow growth, high spending, economic weakness, governmental debt explosion, debt service growth, deflation, and possible stagflation (as suggested in Newsweek Dec. 7, 2009 cover story) are a recipe for “How great powers fall”.

My greater fear is that financial, fiscal and economic crises, may subsequently develop into de-stabilizing social and humanitarian crisis.

We should take advantage of this crisis -and we can- realizing that it will live with us throughout the next decade.

The objective of this conference is to offer to the financial, business, accounting and regulatory authorities tools for pre-empting crisis to our businesses.

The G20 Summits emphasized the need for strengthening transparency and accountability and focused essentially on the development of accounting standards, risk management practices, disclosure of risk exposures, and off-balance sheet activities by all institutions.

At the Pittsburgh Summit September 24-25, 2009 leaders called on international accounting bodies to redouble their efforts to achieve a single set of high quality global accounting standards within the context of their independent standard setting process, and complete their convergences project by June 2011. The International Accounting Standards Board’s (IASB) institutional framework should further enhance the involvement of various stakeholders.

It also designated the G-20 as the premier forum for our international economic cooperation. They also have asked our representatives to report back at the next meeting with recommendations on how to maximize the effectiveness of our cooperation. They agreed to have a G-20 Summit in Canada in June 2010, and in Korea in November 2010. They expect to meet annually thereafter, and will meet in France in 2011.

Since the very start of the financial crisis call and in response to the G20 call on the international accountancy bodies, only one related reporting (not accounting) standard was issued: a new IFRS on classification and measurement of financial assets (IFR9). This is the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement with a new standard – IFRS 9 Financial Instruments. Proposals addressing the second part, the impairment methodology for financial assets were published for public comment at the beginning of November, while proposals on the third part, on hedge accounting, continue to be developed.

Accordingly, we have added an 11th program, to 10 initially announced, for presentation at the conference, in implementation of this new IFRS 9 issued on Nov 12, 2009.

Robert L. Bunting, IFAC President, says, “There is no high-quality information without the work of accountants—and certainly no way forward from the global financial crisis without it. What we need is a level playing field in financial reporting. What we do not need is trans-Atlantic accounting arbitrage and political interference in the technical aspects of standard setting. Governments, standard setters, and the accounting profession need to collaborate closely if common high-quality standards in accounting and auditing are to be established, adopted, and well implemented. And that includes accounting standards for governments, many of which have become major investors in the private sector during the crisis.”

This so-called “Trans-Atlantic accounting arbitrage and political interference” will slow down the already slow “due process” of standard setting which normally takes years. Therefore, in order to serve our Arab Business community interests now and to help them pre-erupt crisis we organized this conference.