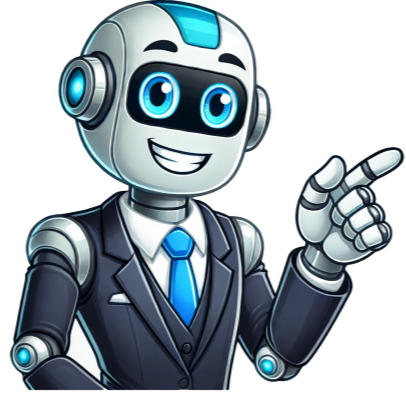


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The IFRS Accounting Standards e-learning modules are available free of charge and may be used freely without alteration from the original form and subject to the terms of the Deloitte copyright over the material. You accept the Terms of use, by launching the e-learning modules. Page 2 IFRS 8 Operating Segments 1h 0m Learn the key accounting principles to be applied when identifying, measuring, and disclosing segments. Technical standard Part of a series on Accounting Constant purchasing power Historical cost Management Tax Major types Audit Budget Cost Forensic Financial Fund Governmental Management Social Tax Key concepts Accounting period Accrual Constant purchasing power Economic entity Fair value Going concern Historical costs Matching principle Materiality Revenue recognition Unit of account Selected accounts Assets Cash Cost of goods sold Depreciation / Amortization (business) Equity Expenses Goodwill Liabilities Profit Revenue Accounting standards Generally-accepted principles Generally-accepted auditing standards Convergence International Financial Reporting Standards International standards on Auditing Management Accounting Principles Financial statements Annual report Balance sheet Cash flow Equity Income Management discussion Financial statement analysis Bookkeeping Bank reconciliation Debits and credits Double-entry system FIFO and LIFO Journal Ledger / General ledger Trial balance Auditing Financial Internal Firms Reports Sarbanes-Oxley Act People and organizations Accounts Accounting organizations Luca Pacioli Developments History Research Positive accounting Sarbanes-Oxley Act Misconduct Creative Earnings management Error accounting Followwood Off-balance-sheet Two sets of books view International Financial Reporting Standards, commonly called IFRS, are accounting standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB).[1] They constitute a standardised way of describing the company's financial performance and position so that company financial statements are understandable and comparable across international boundaries.[2] They are particularly relevant for companies with shares or securities publicly listed. IFRS have replaced many different national accounting standards around the world but have not replaced the separate accounting standards in the United States where US GAAP is applied. The International Accounting Standards Committee (IASC) was established in June 1973 by accountancy bodies representing ten countries. It devised and published International Accounting Standards (IAS), interpretations and a conceptual framework. These were looked to by many national accounting standard-setters in developing national standards. [3] In 2001, the International Accounting Standards Board (IASB) replaced the IASC with a remit to bring about convergence between national accounting standards through the development of global accounting standards. During its first meeting the new Board adopted existing IAS and Standing Interpretations Committee standards (SICs). The IASB has continued to develop standards calling the new standards "International Financial Reporting Standards" (IFRS).[4] In 2002, the European Union (EU) agreed that, from 1 January 2005, International Financial Reporting Standards would apply for the consolidated accounts of the EU listed companies, bringing about the introduction of IFRS to many large entities. Other countries have since followed the lead of the EU. In 2021, on the occasion of COP26 of the United Nations Framework Convention on Climate Change in Glasgow, the IFRS Foundation announced the formation of the new International Sustainability Standards Board (ISSB).[5] IFRS Standards are required or permitted in 132 jurisdictions across the world, including major countries and territories such as Australia, Brazil, Canada, Chile, the European Union, GCC countries, Hong Kong, India, Israel, Malaysia, Pakistan, Philippines, Russia, Singapore, South Africa, South Korea, Taiwan, and Turkey.[6] To assess progress towards the goal of a single set of global accounting standards, the IFRS Foundation has developed and posted profiles about the use of IFRS Standards in individual jurisdictions. These are based on information from various sources. The starting point was the responses provided by standard-setting and other relevant bodies to a survey that the IFRS Foundation conducted. As of August 2019, profiles are completed for 166 jurisdictions, with 166 jurisdictions requiring the use of IFRS Standards.[7] Due to the difficulty of maintaining up-to-date information in individual jurisdictions, three sources of information on current worldwide IFRS adoption are recommended: IFRS Foundation profiles page[7] The World Bank[8] International Federation of Accountants[9] Ray J. Ball described the expectation by the European Union and others that IFRS adoption worldwide would be beneficial to investors and other users of financial statements, by reducing the costs of comparing investment opportunities and increasing the quality of information.[10] Companies are also expected to benefit, as investors will be more willing to provide financing. Companies that have high levels of international activities are among the group that would benefit from a switch to IFRS Standards. Companies that are involved in foreign activities and investing benefit from the switch due to the increased comparability of a set accounting standard.[11] However, Ray J. Ball has expressed some scepticism of the overall cost of the international standard, he argues that the enforcement of the standards could be lax, and the regional differences in accounting could become obscured behind a label. He also expressed concerns about the fair value emphasis of IFRS and the influence of accountants from non-common-law regions, where losses have been recognised in a less timely manner.[10] See also: Convergence of accounting standards § United States US Generally Accepted Accounting Principles, commonly called US GAAP, remains separate from IFRS. The Securities Exchange Committee (SEC) requires the use of US GAAP by domestic companies with listed securities and does not permit them to use IFRS; US GAAP is also used by some companies in Japan and the rest of the world. In 2002 IASB and the Financial Accounting Standards Board (FASB), the body supporting US GAAP, announced a programme known as the Norwalk Agreement that aimed at eliminating differences between IFRS and US GAAP.[12] In 2012 the SEC announced that it expected separate US GAAP to continue for the foreseeable future but sought to encourage further work to align the two standards.[13][14] IFRS is sometimes described as principles-based, as opposed to a rules-based approach in US GAAP, so in US GAAP there is more instruction in the application of standards to specific examples and industries.[15] The Conceptual Framework serves as a tool for the IASB to develop standards. It does not override the requirements of individual IFRSs. Some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements.[16] The Conceptual Framework states that the primary purpose of financial information is to be useful to existing and potential investors, lenders and other creditors when making decisions about the financing of the entity and exercising rights to vote on, or otherwise influence, management's actions that affect the use of the entity's economic resources.[17] Users base their expectations of returns on their assessment of: The amount, timing and uncertainty of future net cash inflows to the entity; Management's stewardship of the entity's resources. The Conceptual Framework for Financial Reporting defines the fundamental qualitative characteristics of financial information to be:[18] Relevance; and Faithful representation The Framework also describes the following enhancing qualitative characteristics: Comparability Verifiability Timeliness Understandability The Conceptual Framework defines the elements of financial statements to be:[19] Asset A present economic resource controlled by the entity as a result of past events which is expected to generate future economic benefits. Liability A present obligation of the entity to transfer an economic resource as a result of past events. Equity The residual interest in the assets of the entity after deducting all its liabilities. Income Increases in economic benefit during an accounting period in the form of inflows or enhancements of assets, or decrease of liabilities that result in increases in equity. However, it does not include the contributions made by the equity participants (for example owners, partners or shareholders). Expenses, decreases in assets, or increases in liabilities, that result in decreases in equity. However, these do not include the distributions made to the equity participants. Other changes in economic resources and claims: Contributions from holders of equity and distributions to them. An item is recognised in the financial statements when:[20] it is probable that future economic benefit will flow to or from an entity, the resource can be reliably measured In some cases specific standards add additional conditions before recognition is possible or prohibit recognition altogether. An example is the recognition of internally generated brands, mastheads, publishing titles, customer lists and items similar in substance, for which recognition is prohibited by IAS 38.[21] In addition research and development expenses can only be recognised as an intangible asset if they cross the threshold of being classified as 'development cost'.[22] Whilst the standard on provisions, IAS 37, prohibits the recognition of a provision for contingent liabilities,[23] this prohibition is not applicable to the accounting for contingent liabilities in a business combination. In that case the acquirer shall recognise a contingent liability even if it is not probable that an outflow of resources embodying economic benefits will be required.[24] Concepts of capital maintenance are important as only income earned in excess of amounts needed to maintain capital may be regarded as profit. The Conceptual Framework describes the following concepts of capital maintenance:[25] Financial capital maintenance. Under this concept a profit is earned only if the financial amount of the net assets at the end of the period exceeds the financial (or money) amount of net assets at the beginning of the period, after excluding any distributions to, and contributions from owners during the period. Financial capital maintenance can be measured in either nominal monetary units or units of constant purchasing power. Physical capital maintenance. Under this concept a profit is earned only if the physical productive capacity (or operating capacity) of the entity (or the resources or funds needed to achieve that capacity) at the end of the period exceeds the physical productive capacity at the beginning of period, after excluding any distributions to, and contributions from owners during the period. Financial capital maintenance can be measured in either nominal monetary units or units of constant purchasing power. Physical capital maintenance. Under this concept a profit is earned only if the physical productive capacity (or operating capacity) of the entity (or the resources or funds needed to achieve that capacity) at the end of the period exceeds the physical productive capacity at the beginning of period, after excluding any distributions to, and contributions from owners during the period. Most entities adopt a financial concept of capital maintenance. However, the Conceptual Framework does not prescribe any model of capital maintenance. IFRS financial statements consist of:[26] a statement of financial position (balance sheet) a statement of comprehensive income. This may be presented as a single statement or with a separate statement of profit and loss and a statement of other comprehensive income a statement of changes in equity a statement of cash flows notes, including a summary of the significant accounting policies. Comparative information is required for the prior reporting period. The following are the general features in IFRS: Fair presentation and compliance with IFRS: Fair presentation requires the faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Framework of IFRS.[27] Going concern: Financial statements are present on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.[28] Accrual basis of accounting: An entity shall recognise items as assets, liabilities, equity, income and expenses when they satisfy the definition and recognition criteria for those elements in the Framework of IFRS.[29] Materiality and aggregation: Every material class of similar items has to be presented separately. Items that are of a dissimilar nature or function shall be presented separately unless they are immaterial.[30] Offsetting: Offsetting is generally forbidden in IFRS. [31] However certain standards require offsetting when specific conditions are satisfied (such as in case of the accounting for defined benefit liabilities in IAS 19[32] and the net presentation of deferred tax liabilities and deferred tax assets in IAS 12[33]). Frequency of reporting: IFRS requires that at least annually a complete set of financial statements is presented.[34] However listed companies generally also publish interim financial statements (for which the accounting is fully IFRS compliant) for which the accounting is in accordance with IAS 34 Interim Financial Reporting. Comparative information: IFRS requires entities to present comparative information in respect of the preceding period for all amounts reported in the current period's financial statements. In addition comparative information shall also be provided for narrative and descriptive information if it is relevant to understanding the current period's financial statements.[35] The standard IAS 1 also requires an additional statement of financial position (also called a third balance sheet) when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements. This is for example occurred with the adoption of the revised standard IAS 19 (as of 1 January 2013) or when the new consolidation standards IFRS 10-11-12 were adopted (as of 1 January 2013 or 2014 for companies in the European Union).[36] Consistency of presentation: IFRS requires that the presentation and classification of items in the financial statements is retained from one period to the next unless: it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in IAS 8; oran IFRS standard requires a change. Cash flow statements in IFRS are presented as follows:[37][38] Operating cash flows: the principal revenue-producing activities of the entity and are generally calculated by applying the indirect method, whereby profit or loss is adjusted for the effects of transaction of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Investing cash flows: the acquisition and disposal of long-term assets and other investments not included in cash equivalents. These represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities. Financing cash flows: activities that result in changes in the size and composition of the contributed equity and borrowings of the entity. These are important because they are useful in predicting claims on future cash flows by providers of capital to the entity. In 2012, staff of the Securities and Exchange Commission (SEC) issued a report setting out observations on a potential adoption of IFRS in the United States. This included the following criticisms:[39][40] that it would be expensive for companies to move to compliance with IFRS; that the IASB had reliance on funding from large accounting firms which might jeopardise its actual or perceived independence; that the process of convergence of IFRS with US GAAP had not made progress in some areas; that the valuation of inventory under Last In First Out (LIFO) remains common in the United States, where it has some tax advantages, but would be prohibited under IFRS; that IFRS is not comprehensive in its coverage. IASB staff have responded to these observations and concluded that there were no insurmountable obstacles for the adoption of IFRS by the United States.[41] In 2013 IASB member Philippe Danjou listed ten common criticisms of IFRS. He sought to counter these, describing them as misconceptions:[42] IFRS practise a generalized "fair value" IFRS are intended to reflect the global financial value of the company IFRS deny the concept of accounting conservatism IFRS give prominence to economic reality over legal form Directors can not make heads or tails of IFRS financial statements IFRS financial statements do not reflect the business model Financial instruments are stated at "full fair value", thereby maximizing earnings volatility. The "fair value" is always defined as "market value" even when markets are illiquid. The treatment of business combinations is irrational. IFRSs create accounting volatility that does not reflect the economic reality. Charles Lee, professor of accounting at Stanford Graduate School of Business, has also criticised the use of fair values in financial reporting.[43] In 2019, H. David Sherman and S. David Young criticised the current state of financial reporting under IFRS and US GAAP.[44] Convergence of reporting standards has stalled. IFRS is not consistently applied; Alternative methods of revenue recognition make it difficult to interpret reported results; Many companies are using unofficial measures, for example earnings before interest, tax, depreciation and amortisation (EBITDA), whether to get around a deficiency in the format in accounting standards or potentially to mislead users; Companies can control decisions on expenditure to manage results. There are two frameworks that investors and accountants recognize on a global scale: International Financial Reporting Standards (IFRS) and U.S. Generally Accepted Accounting Principles (GAAP).[45] They both serve to ensure transparency and consistency in financial statements. However, they take a vastly different approach to recognizing revenues, reporting leases, and recording inventory. IFRS is followed in over 140 countries, and the system is more principle-based as it gives businesses flexibility in applying standards.[46] GAAP on the other hand, is used exclusively in the United States and is governed by the Financial Accounting Standards Board (FASB). This system is rule-based and much stricter, and it provides industry-specific guidelines. These differences don't just affect accountants, they also impact how businesses operate and how investors interpret financial performance. Take two companies for example, one in the U.S. and one in Europe, both selling software subscriptions. Even though they operate the same way, they report their revenues differently, this is because of the divide between IFRS and GAAP. Both companies follow a five-step model under IFRS 15 and GAAP (ASC 606).[47] But GAAP includes extra layers of industry-specific guidance for sectors such as real estate, software, and financial services.[48] This means that a software company in the U.S. might have detailed, step-by-step rules enforcing revenue from subscriptions. In contrast, international companies using IFRS have more flexibility in applying general principles. For companies operating both frameworks, this can lead to confusion when reporting revenue across different financial statements. Lease accounting is another crucial part representing the different approaches that IFRS and GAAP take. For IFRS 16, every lease must be recorded on the balance sheet and classified as a right-to-use asset with a corresponding liability.[49] However, GAAP (ASC 842) maintain two types of leases: one on the balance sheet and operating leases, which are generally not recorded on the balance sheet.[50] While this approach allows U.S. companies to hide some lease obligations, critics like H. David Sherman and S. David Young argue that it complicates financial comparisons, especially for global investors trying to assess companies' liabilities.[51] Another divergence is inventory valuation. IFRS and GAAP differ in their models. Last In First Out (LIFO) and First In First Out (FIFO). This is primarily a difference in accounting-based calculations, which can significantly impact results during fluctuating inventory costs.[52] IFRS adopts the FIFO method, while GAAP utilizes the LIFO method. The LIFO method can provide tax savings during periods of inflation since it results in lower reported profits. However, the inconsistency between the two strategies might cause inconvenience for companies trying to use a standardized rule to value themselves, as using different calculation methods may not be an apples-to-apples comparison. For businesses, the divergence in the two methods isn't just differences in number or technical detail, as they also have real-world consequences. Multinational corporations adjusting in both IFRS and GAAP jurisdictions must maintain separate financial reports, showing the inconvenience in the process. For investors, transparency and accuracy in the decision-making process might be disrupted by discrepancies in revenue timing, asset valuation, and lease obligations to get a clear picture of financial health. Despite ongoing efforts to harmonize the two systems, significant gaps remain, and full convergence may never happen. For now, understanding these variations is crucial, not just for accountants but for anyone making investment decisions in a global economy.[53] Many researchers have studied the effects of IFRS adoption, but results are unclear. For example, one study[54] used data from 26 countries to study the economic consequences of mandatory IFRS adoption. It showed that, on average, even though market liquidity increases around the time IFRS is introduced, it is unclear whether IFRS mandate adoption is the sole reason for observed market effects. Firms reporting incentives, law enforcement, and increased comparability of financial reports can also have an effect on the effects. The adoption of IFRS in the European Union is a special case because it is an element of wider reforms aiming to consolidate the economies of member countries. One study reports positive market effects for companies adopting IFRS, but these positive effects occurred even before the transition took place.[55] Another study looked at the development of the stock market in Poland; it found positive effects associated with Poland joining the EU but no specific effect attributable to its adoption of IFRS.[56] Interestingly, member states maintain a large degree of independence in setting national accounting standards for companies that prefer to stay local.[57] List of International Financial Reporting Standards Chinese accounting standards Generally Accepted Accounting Principles (Canada) Generally Accepted Accounting Principles (France) Generally Accepted Accounting Principles (United States) Indian Accounting Standards International Public Sector Accounting Standards Nepal Financial Reporting Standards Philosophy of accounting ^ Posner, Elliot (1 October 2010). 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International Financial Reporting Standards 7Share-based Payment 3Business Combinations 4Insurance Contracts 5Non-current Assets Held for Sale and Discontinued Operations 6Exploration for and Evaluation of Mineral Resources 7Financial Instruments: Disclosures 8Operating Segments 9Financial Instruments 10Consolidated Financial Statements 11Joint Arrangements 12Disclosure of Interests in Other Entities 13Fair Value Measurement 14Regulatory Deferral Alternatives 15Revenue from Contracts with Customers 16Leases 17Insurance Contracts IFRS vs. US GAAP The largest difference between the US GAAP (Generally Accepted Accounting Principles) and IFRS is that IFRS is principle-based while GAAP is rule-based. Rule-based frameworks are more rigid and allow less room for interpretation, while a principle-based framework allows for more flexibility. There are pros and cons to both approaches, depending on how they are used. For example, using a standard that fits within a "rule" but that clearly does not represent the principle behind the standard can be a downside of the GAAP. While conversely, taking an overly liberal interpretation of standards is a potential drawback to the IFRS. Accounting Careers If you're looking for a career in accounting, then you should explore our Career Map to compare the various roles in the accounting industry. Other helpful resources include our accounting interview guide and a huge database of technical articles. Check out our free accounting courses here. Additional Resources Thank you for reading CFI's guide to IFRS Standards. To keep learning and developing your career as a financial analyst, these additional CFI resources will be helpful: Find out about our IFRS Digital subscription Become an IFRS Digital subscriber and get access to additional material and historical IFRS Standards. Become an IFRS Digital subscriber A comprehensive guide to the applicable IFRS Accounting Standards, organised by standard. Please note this book has been prepared for general guidance on matters of interest only and does not constitute a substitute for the professional advice of a qualified accountant. The names of the undertakings included in the illustrative text are used for illustration only; any resemblance to any existing undertaking is not intended. You should not act upon the information contained in this book without obtaining specific professional advice. Accordingly, to the extent permitted by law, PricewaterhouseCoopers LLP (and its members, employees, and agents) and publisher accept no liability, and disclaim all responsibility, for the consequences of any or anyone else acting, or refraining from acting, in reliance on the information contained in this document or for any decision based on it, or for any consequential, special, or similar damages even if advised of the possibility of such damages. © #year# PricewaterhouseCoopers LLP. This content is copyright protected. It is for your own use only - do not redistribute. These materials were downloaded from PwC's Viewpoint (viewpoint.pwc.com) under licence. Any trademarks included are trademarks of their respective owners and are not affiliated with, nor endorsed by, PwC. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details. International Financial Reporting Standards (IFRS) are a set of accounting rules for the financial statements of public companies that are intended to make them consistent, transparent, and easily comparable around the world. IFRS currently has complete profiles for 168 jurisdictions, including those in the European Union. The United States uses a different system, the generally accepted accounting principles (GAAP). The IFRS is issued by the International Accounting Standards Board (IASB). The IFRS system is sometimes confused with the International Accounting Standards (IAS), which are the older standards that the IFRS replaced in 2001. International Financial Reporting Standards (IFRS) were created to bring consistency and integrity to accounting standards and practices, regardless of the company or the country. They were issued by the London-based Accounting Standards Board (IASB) and address record keeping, account reporting, and other aspects of financial reporting. The IFRS system replaced the International Accounting Standards (IAS) in 2001. IFRS fosters greater corporate transparency. IFRS are not used by all countries; for example, the U.S. uses generally accepted accounting principles (GAAP). Investopedia / Paige McLaughlin IFRS specify in detail how companies must maintain their records and report their expenses and income. They were established to create a common accounting language that could be understood globally by investors, auditors, government regulators, and other interested parties. The standards are designed to bring consistency to accounting language, practices, and statements, and to help businesses and investors make educated financial analyses and decisions. They were developed by the International Accounting Standards Board, which is part of the not-for-profit, London-based IFRS Foundation. The Foundation says it sets the standards to "bring transparency, accountability, and efficiency to financial markets around the world." Public companies in the U.S. are required to use a rival system, the generally accepted accounting principles (GAAP). The GAAP standards were developed by the Financial Standards Accounting Board (FSAB) and the Governmental Accounting Standards Board (GASB). The Securities and Exchange Commission (SEC) has said it won't switch to International Financial Reporting Standards but will continue reviewing a proposal to allow IFRS information to supplement U.S. financial filings. There are differences between IFRS and GAAP reporting. For example, IFRS is not as strict in defining revenue and allows companies to report revenue sooner. A balance sheet using this system might show a higher stream of revenue than a GAAP version of the same balance sheet. IFRS also has different requirements for reporting expenses. For example, if a company is spending money on development or on investment for the future, it doesn't necessarily have to be reported as an expense. It can be capitalized instead. IFRS covers a wide range of accounting activities. There are certain aspects of business practice for which IFRS set mandatory rules. Statement of financial position: This is the balance sheet. IFRS influences the ways in which the components of a balance sheet are reported. Statement of comprehensive income: This can take the form of one statement or be separated into a profit and loss statement and a statement of other income, including property and equipment. Statement of changes in equity: Also known as a statement of retained earnings, this documents the company's change in earnings or profit for the given financial period. Statement of cash flows: This report summarizes the company's financial transactions in the given period, separating cash flow into operations, investing, and financing. In addition to these basic reports, a company must give a summary of its accounting policies. The full report is often seen side by side with the previous report to show the changes in profit and loss. A parent company must create separate account reports for each of its subsidiary companies. Chinese companies do not use IFRS or GAAP. They use Chinese Accounting Standards for Business Enterprises (ASBEs). IFRS originated in the European Union with the intention of making business affairs and accounts accessible across the continent. It was quickly adopted as a common accounting language. Although the U.S. and some other countries don't use IFRS, currently 168 jurisdictions do, making IFRS the most-used set of standards globally. IFRS is required to be used by public companies based in 168 jurisdictions, including all of the nations in the European Union as well as Canada, India, Russia, South Korea, South Africa, and Chile. The U.S. and China each have their own systems. The two systems have the same goal: clarity and honesty in financial reporting by publicly-traded companies. IFRS was designed as a standards-based approach that could be used internationally. GAAP is a rules-based system used primarily in the U.S. Although most of the world uses IFRS standards, it is still not part of the U.S. financial accounting world. The SEC continues to review switching to the IFRS but has yet to do so. Several methodological differences exist between the two systems. For instance, GAAP allows a company to use either of two inventory cost methods: First in, First out (FIFO) or Last in, First out (LIFO). LIFO, however, is banned under IFRS. IFRS fosters transparency and trust in the global financial markets and the companies that list their shares on them. If such standards did not exist, investors would be more reluctant to believe the financial statements and other information presented to them by companies. Without that trust, we might see fewer transactions and a less robust economy. IFRS also helps investors analyze companies by making it easier to perform "apples to apples" comparisons between one company and another, and for fundamental analysis of a company's performance. The International Financial Reporting Standards (IFRS) are accounting rules for public companies with the goal of making company financial statements consistent, transparent, and easily comparable around the world. This helps with auditing, tax purposes, and investing. By setting IFRS in a relevant business context, International GAAP® 2025 provides insights on how complex practical issues should be resolved in the real world of global corporate reporting. It is an important tool for anyone applying, auditing, interpreting, regulating, studying or teaching: IFRS accounting standards, and IFRS sustainability disclosure standards. Written by EY corporate reporting professionals from around the world, this detailed guide to reporting under IFRS accounting and sustainability disclosure standards provides a global perspective on the application of IFRS accounting and sustainability disclosure standards. It explains complex technical accounting and sustainability reporting issues clearly by setting IFRS accounting and sustainability disclosure standards in a practical context with numerous worked examples, illustrations and extracts from the published general purpose financial reports of major listed companies from around the world. Available, free of charge, to all users Upholding the EY commitment to carbon neutrality, International GAAP® 2025 has been published digitally on the free version of EY Atlas Client Edition. This online publication presents International GAAP® 2025 in a user-friendly, easy to browse and search, digital format. In addition to International GAAP® 2025, the free version of EY Atlas Client Edition also provides access to other thought leadership from EY teams relating to both IFRS accounting and sustainability reporting (e.g., Applying IFRS, IFRS Developments and IFRS Sustainability Developments) in one central, easy-to-navigate platform. Optimized for mobile devices, EY Atlas Client Edition is accessible anytime and anywhere. Combining leading class browse and search functionality, it focuses your efforts in understanding the content rather than looking for it. To obtain free access to International GAAP® 2025 on EY Atlas Client Edition, please visit ey.com/atlas to get started. Free offline access in PDF format. To ensure our offline copy of our detailed guide is accessible to readers across the globe, EY produces a downloadable PDF version of International GAAP® 2025 for offline use. 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