

IFRS UPDATES

1. Adoption of IFRS Will Lead To Stable Financial System

Central Bank of Nigeria (CBN) has said that the adoption of International Financial Reporting Standard and implementation of Basel framework will impact positively on the safety, soundness and stability of the financial system.

Moghalu stated that acceptance of IFRS and implementation of Basel frameworks would have positive effects on the safety, soundness and stability of the financial system needed to propel the economy into the league of the top 20 world economies by year 2020.

He said that the IFRS, being a global benchmark for financial reporting, was aimed at ensuring transparency in reporting account of entities thereby providing adequate and robust information to investors and other stakeholders.

(Source: <http://www.leadership.ng/> dated 19th September '11)

2. Adopting IFRS will standardize accounting policies

European Banking Federation Secretary General Guido Ravoet says adopting International Financial Reporting Standards (IFRS) will help to standardize accounting policies and financial reporting among different countries including Sri Lanka.

"The IFRS will assist investors to assess published results of firms and institutions to access the capital market easily," he said.

(Source: <http://www.dailynews.lk/> dated 7th September '11)

3. Listed S'pore firms must be prepared to adopt IFRS, says ICAEW

Listed Singapore businesses must prepare now to avoid last minute challenges following the city-state's completion to converge its own standards for financial reporting with international accounting standards by the end of 2012.

ICAEW South East Asia, Regional Director, Mark Billington said: "Singapore is already a highly respected financial centre on an international scale. "Singapore is also one of several countries planning on completing its convergence with, or adoption of, the IFRS over the next couple of years, alongside Canada, Korea, Malaysia, Mexico and Taiwan."

(Source: <http://www.biz.thestar.com/> dated 1st September '11)

4. Japan, US Accounting standards board in talks over IFRS-GAAP Convergence

The **Accounting Standards Board of Japan (ASBJ)** and the *Financial Accounting Standards Board (FASB)* have updated one another with the recent developments of their efforts to converge the generally accepted accounting principles (GAAP) and the IFRS.

The ASBJ reaffirmed its support for FASB's and IASB's move to develop high-quality global accounting standards and is making progress with its projects to achieve convergence between Japanese GAAP and IFRSs, taking into consideration the progress of the joint projects by the FASB and the IASB.

(Source: <http://www.inaudit.com/> dated 29th August '11)

5. IASB Proposes to Exempt Investment Entities From Consolidation Requirements

Investment entities are commonly understood to be entities that pool investments from a wide range of investors for investment purposes only. Currently, IFRS 10 would require consolidation if an investment entity controls an entity in which it is investing.

However, when developing IFRS 10, investors commented that this would not provide them with the information they need to assess the value of their investments, the IASB said in a press release. To address this issue, the exposure draft proposes criteria that would have to be met by an entity to qualify as an investment entity. These entities would be exempt from the consolidation requirements and instead would be required to account for all their investments at fair value through profit or loss. The ED also includes disclosure requirements about the nature and type of these investments.

(Source: <http://www.journalofaccountancy.com/> dated 25th August '11)

6. Acca: US must allow IFRS immediately

A leading accountancy association has called for IFRS accounting standards to be given the green light in the US in an effort to boost transparency among large international corporations.

In a letter to the Securities and Exchange Commission, the Association of Chartered Certified Accountants argues that an "immediate" move would help facilitate international trade and transfer of skills.

"We strongly believe that IFRS are best positioned to become global standards and in our view there should be an immediate option for some US issuers to prepare IFRS accounts using that common financial reporting language rather than in compliance with GAAP," says Richard Martin, head of financial reporting at Acca.

(Source: <http://www.gfsnews.com/> dated 30th August '11)

7. The big question: IFRS and US adoption

If the US and Japan do not join 'the IFRS family' by adopting international accounting standards, the dream of a single global accounting language may remain just that, writes Robert Hodgkinson, executive director of the Institute of Chartered Accountants in England and Wales.

With the eyes of the world on the US economy, and a decision expected by the end of 2011 by the US Securities and Exchange Commission as to whether it will adopt International Financial Reporting Standards, it is no surprise that this is one of the hottest topics in the world of accountancy (Source: <http://www.gfsnews.com/> dated 23rd August '11)

8. US decision could make or break IFRS

A refusal by US authorities to adopt worldwide accounting standards could kill off the "dream" of uniform worldwide standards, the Institute of Chartered Accountants in England and Wales has warned. (Source: <http://www.gfsnews.com/> dated 23rd August '11)

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