HARMONISATION EFFORTS BY INTERNATIONAL ACCOUNTING STANDARD COMMITTEE AND THEIR IMPACT: A REVIEW PAPER

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Özet: Ülkeler arasında mevcut muhasebe farklılıkları azaltmak veya ortadan kaldırmak amacı ile birçok kuruluş uluslararası muhasebe harmonizasyonunu gerçekleştirme çabası içindedir. Bu kuruluşların en önemlilerinden biri yayınladığı Uluslararası Muhasebe Standartlarının dünya çapında kullanılmasını ve de uluslararası muhasebe harmonizasyonunu sağlamayı hedefleyen Uluslararası Muhasebe Standartları Komitesi'dir. Uluslararası Muhasebe Standartları Komitesi'nin hedefine ulaşıp ulaşamadığını açıklığa kavuşturmayı amaçlayan bu çalışmada, Uluslararası Muhasebe Standartlarının çeşitli ülkelere olan etkisini değerlendiren literatürdeki mevcut çalışmalar gözden geçirilmiştir. Bu çalışmada gözden geçirilen araştırmaların sonucu, Uluslararası Muhasebe Standartlarının birçok ülke, özellikle "British Commonwealth" üyesi gelişmekte olan ülkeler, tarafından kullanıldığını göstermekle beraber, Uluslararası Muhasebe Standartları Komitesi'nin Uluslararası Muhasebe Standartlarının dünya çapında kullanılmasını sağlama ve de uluslararası muhasebe harmonizasyonunu gerçekleştirme hedefine ulaştığını gösterir kesin deliller sunmamaktadır.

Abstract: With the aim of reducing or eliminating the international differences in aceounting, several organisations throughout the world are involved in attempts to harmonise accounting and the International Accounting Standards Committee (IASC), has been the primary generators of world-wide accounting harmonisation efforts. This study reviewed previous empirical studies that examined the impact of the International Accounting Standards (IASs) IASC on various countries to explore if the IASC is successful in getting its standard used by wide variety of the countries and achieving its aim of world-wide harmonisation. Although the results of this review paper indicates the use of standards issued by IASC by certain countries, particularly developing countries that are members of the British Commonwealth, the extant literature do not provide conclusive evidences suggesting that IASC has been successful in achieving its objective of 'world-wide acceptance and observance of its standards' and world-wide accounting harmonisation.

I. Introduction

As evidenced in the literature on international accounting, there are major international differences in accounting which are believed to result primarily from divergent local (internal) environmental factors. Such international accounting diversity "leads to great complications for those

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preparing, consolidating, auditing and interpreting published financial statements" (Nobes and Parker, 1995, p.117). To reduce or eliminate these differences, several organisations throughout the world are involved in attempts to harmonise or standardise accounting and the International Accounting Standards Committee (IASC) which has been considered as the primary generators of world-wide accounting harmonisation efforts (Roberts et al., 1996), issued a number of International Accounting Standards (IASs). The aim of this paper is to review the previous studies that looked at the impact of the IASs on accounting in both developed and developing countries and assess if the IASC is successful in getting its standard used by wide variety of the countries and achieving its aim of world-wide harmonisation.

This study provides, first, a brief review of International harmonisation efforts. Then, proceeds by reviewing the IASC's harmonisation efforts and their impact by focusing on first the theoretical arguments and then the review of the previous studies. The findings is assessed in the last (conclusion) section.

II. International Harmonisation Efforts

A number of international bodies and committees are concerned with harmonisation /standardisation. Some of these are involved with the issue at a global level, others at a regional level. Some of them involve discussions between representatives of national governments and others involve discussions between representatives of national accounting associations. These organisations can be classified by authorities and by geographical scope, as shown in Table 1.

Table1. *International Organisations Concerned With Harmonisation*

	World	*Regional*
Government/ political organisations	**(Group I)** **UN** (United Nations) **OECD** (Organisation for Economic Cooperation and Development)	**(Group 2)** **EU** (European Union)
Professional/private standard-setting organisations	**(Group 3)** **IASC** (International Accounting Standards Committee) **IFAC** (International Federation of Accountants)	**(Group 4)** **FEE** (Federation des Experts Comptables Europeens) **IAA** (Inter-Ameriean Accounting Association) **CAPA** (Confederation of Asian and Pacific Accountants) **AFA** (ASEAN Federarion of Accountants) **ECSAFA** (Eastern, Central and Southern Afriea Federation of Accountants).

Sources: Developed based on Nobes and Parker (1995: 121-138) & Choi and Mueller (1992: 262-289)

As demonstrated in Table 1, among those organisations involved primarily with the issues on a global scale (the UN and the OECD), and on a regional scale, (the EU), are international political organisations deriving their existence and mandates from international treaties and agreements. Selection of individuals to these organisations is generally based on political considerations rather than accounting expertise. These groups conduct their business in a highly political manner and produce intergovernmental treaties and regulations (Meek and Saudagaran, 1990). Of these groups only the EU has the power to enforce its directives among its member countries.

On the other hand, global organisations in Group 3 (IASC and IFAC) and regional organisations in Group 4 (FEE, IAA, CAPA, AFA and ECSAFA) are private bodies. They each consist of representatives of national accounting groups. Organisations in these groups lack direct enforcement power and the success of standards issued/to be issued by these organisations largely depends on voluntary acquiescence or indirect economic or social pressures for their acceptance (Choi and Mueller, 1992). In particular, implementation of such standards depends on the pressure exerted by the members in their own countries.

The activities of agencies concerned with international accounting harmonisation have been examined in detail by a number of authors[1] and it has been claimed that, among these agencies, the IASC is the primary generators of world-wide harmonisation efforts (Roberts et al. 1996) and the most important and the most successful (Nobes and Parker, 1995). The following two sections review the harmonisation efforts by IASC, including their impact on various countries.

III. The IASC's Harmonisation Efforts and Their Impact

A. The International Accounting Standards Committee (IASC)

The IASC, which is described as one of the "key players in international accounting standard-setting activities" (Choi and an Mualler, 1992, p.262), is an independent private-sector body. It was founded in 1973 as a result of an agreement made by professional accountancy bodies from Australia, Canada, France, Germany (West), Japan, Mexico, the Netherlands, the United Kingdom and Ireland, and the United States of America. "It owes its formation to the work of the International Co-ordination Committee for the Accountancy profession (ICCAP) which itself was set up in 1972 at the 10th International Congress of Accountants in Sydney" (Iddamalgoda, 1986, p.20). Since 1983, the members of IASC have consisted of professional accountancy bodies that are members of the International Federation of Accountants (IFAC). As of 1988, 140 accounting bodies in 101 countries are IASC members (including

[1] Notable examples are Samuels and Piper (1985); Choi and Mueller (1992); Belkaoui (1992) and Nobes and Parker (1995).

five associate members and four affiliate members). Those organisations represent over 2,000,000 accountants world-wide (IASC, 1998).

As stated in its Constitution, the objectives of IASC are; "a) to formulate and publish in the public interest accounting standards to be observed in the presentation of financial statements and to promote their world-wide acceptance and observance; and b)to work generally for the improvement and harmonisation of regulations, accounting standards and procedures relating to the presentation of financial statements" (IASC Constitution). The member bodies of the IASC agree to support the standards by undertaking to publish in their respective countries every IAS approved for issue by the Board and by using 'their best endeavours' to ensure that published financial statements comply with the IASs; to ensure that auditors enforces this; and to persuade governments, stock exchanges and other bodies to back the standards (Ernst and Whinney, 1986).

The IASC conducts its affairs through a Board, which consists of up to 17 members, of which 13 members represent accountancy bodies in member countries (they are appointed by the Council of the IFAC), and up to four members are from organisations interested in international financial reporting (they are appointed by the Board itself). At present, only four out of the 13 board members are from developing countries and there are only three organisations (IASC, 1998).[2] The Board also has three observer members (the EU, IOSCO and FASB), who contribute to the debate but do not vote, and work closely with the members of consolidated groups (established in 1981 by the board), which include representatives of international organisations of preparers and users of financial statements, stock exchanges and securities regulators (Cairns, 1995). It is the Board that has the ultimate authority to lay down International Accounting Standards.

B. International Accounting Standards

Development: Although the ultimate authority to issue an IAS rests with the Board, standards are developed 'through an international due process' that involves preparers and users of financial statements, the accountancy professions and national standard-setting bodies. According to Cairns, (1995, p.23), this process "helps to ensure that International Accounting Standards are high quality standards that require appropriate accounting practices in particular economic circumstances ... [and] are acceptable to the users, preparers and

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[2] The Board Members are: Australia, Canada, Franee, Germany, India and Sri Lanka, Japan, Malaysia, Mexico, Netherlands, Nordic Federation of Public Accountants, South Africa and Zimbabwe, United Kingdom, United States of America, International Co-ordinating Committee of Financial Analysts' Associations (ICCFAA), Federation of Swiss Industrial Holding Companies, and International Association of Financial Executives Institutes (IAFEI) (IASC, 1998).

auditors of financial statements". Briefly, the IASC established the following due process to develop IASs:[3]

- Any member of the IASC or any other interested party may submit suggestions for new accounting standard topics. After discussion, the IASC Board selects a topic that is felt to need an IAS and assigns it to a Steering Committee.
- The Steering Committee considers the issue involved and develops a 'point outline' for consideration by the Board.
- After receiving comments from the Board, the Steering Committee prepares a 'draft statement of principles'.
- Following a review by the board, the draft statement is circulated to all member bodies for their comments.
- The Steering Committee prepares a revised draft, which, after the approval by at least two-thirds of the Board, is published as an Exposure Draft. Comments are invited from all interested parties.
- At the end of the exposure period, the Steering Committee reviews the comments and prepares a draft IAS for approval by the Board.
- The issue of a standard requires approval by at least three-quarters of the Board.

The complete due process for the development and approval of an IAS takes a minimum of three years (Cairns, 1995).

Since its formation in 1973, the IASC Board has issued (as of December 1998) 38 International Accounting Standards. Many of these standards have been revised, reformatted and combined into other standards over the years, particularly during the last decade, mainly as a result of the 'comparability and improvement project', which commenced in 1987. The aim of this project was to reduce or eliminate the alternative accounting treatments in existing standards. Demand for such reduction and elimination by the Organisation of Securities Commission (IOSCO) to support the use of IASs is shown as one of the "spurs" to the issue of E 32 which launched the improvements/comparability project in 1989 (see Nobes and Parker, 1995). International Accounting Standards 2, 8, 9, 11, 16, 18, 19, 21, 22 and 23 have been revised as a result of the comparability project (for details of this project see Cairns, 1995, pp. 43-44).

The Board also issued a 'Framework for the Preparation and Presentation of Financial Statements' in 1989. The Framework, which "sets out the concepts that underlie the preparation and presentation of financial statements for external users" (Cairns, 1995, p.39) is used by the IASC when preparing standards. The objective of the Framework is to "assist the Board in developing future International Accounting Standards and in reviewing existing

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[3] Adopted from Choi and Mueller (1992) and IASC (1998).

International Accounting Standards; and in promoting the harmonisation of regulations, accounting standards and procedures relating to the presentation of financial statements by providing a basis for reducing the number of alternative accounting treatments permitted by International Accounting Standards" (IASC, 1998). Nobes and Parker (1995) pointed out that there are strong similarities between this framework and FASB, Australian and British frameworks.

The history of each IAS and other IASC projects from exposure draft to International Accounting Standard, including details of approval dates and effective dates, are presented in Appendix 1.

Scope and application: IASs "apply to the published financial statements of any commercial, industrial or business reporting enterprise, whether in the public or private sector" (Cairns, 1995, p.35). They apply both to separate financial statements of each enterprise and consolidated financial statements. Two of the issues that the IASC has decided not to deal with are "non-business aspects of the public sector" and "private sector not-for-profit entities" (IASC News, October 1990, p. 6).

The content and some important requirements of IASs: IASs issued to date (see Appendix 1) deal with most of the important issues of corporate financial reporting. Some standards address both the disclosure and measurement issues, while others address income measurements and balance sheet valuation. Briefly, the current IASs:

- specify the financial statements to be prepared as the balance sheet, income statements, cash flow statement and the statement showing changes in equity and prescribe their content (certain information to be disclosed on the face of these statements). They also address the presentation of income statements and balance sheets, extraordinary items, current assets, current liabilities, government assistance, financial assets and liabilities. However, unlike the EU directives, IASs do not require a particular format for financial statements. A noteworthy point to mention here is that financial statements mentioned in the IASs do not include "reports by the board of directors or an equivalent governing body or statements by the chairmen or president of the enterprise" (Cairns, 1995, p.104).
- require industry and geographical segment information and disclosure of contingencies, post-balance sheet events, related parties, related party transaction and financial instruments.
- lay down detailed requirements with respect to the recognition and measurement of inventories, depreciation, research and development costs, income taxes, property, plant, goodwill, borrowing costs and investments.
- require consolidated financial statements and deal with mergers and acquisitions, investment in associations and interest in joint ventures.
- they also deal with disclosures in the financial statements of banks and similar financial institutions, financial reporting in hyperinflationary

economies, reporting by retirement benefit plans, disclosure and presentation of financial instruments and earning per share.

C. The Impact of IASC standards

a. Theoretical Argument

Accounting standards issued by the IASC "are not legally enforceable and depend on voluntary acquiescence or indirect economic or social pressures for their acceptance" (Choi and Mueller, 1992, p. 274). More specifically, the success of the IASC efforts in achieving its objective of' 'world-wide acceptance and observance of its standards' depends on various factors, notably 1)the nature of the standards (i.e. acceptability or suitability of IASs to countries and/or individual firms world-wide) as well as the costs and benefits of adopting the IASs; 2) recognition and support of the standards published by IASC by various interest groups(i.e. main possible beneficiaries of use of internationally accepted standards e.g. investors and investment analysts, multinational companies, international accounting firms, regulatory agencies, etc. and the certain international organisations, notably, IOSCO and IFAC); and particularly 3) efforts and ability (e.g. regulatory, legal or advisory position) of IASC member accountancy bodies to promote the work of the IASC

As mentioned above, members of the IASC are professional accountancy bodies from various countries world-wide and they have undertaken to ensure, to the best of their ability, compliance by their members with IASs. However, as "the IASC has no disciplinary power over [its members], it cannot bring direct pressure to bear on them to exact compliance with IASs in the way in which a national professional body may be able to enforce compliance with national standards" (Tay, 1989, p.9). Furthermore. IASC member bodies in certain countries, particularly where accounting practices are dictated by a governmental body, are not responsible for standard setting and enforcement in their own countries. (Chandler, 1992, p.229) pointed out that "in countries where accounting and auditing practices are dictated by a governmental body, international pronouncements (whatever their designation) can be no more than persuasive at best. He further argued that "... real progress towards international harmonisation is most likely to occur through the IASC but only if it can obtain the necessary authority with which to ensure enforcement of its standards" (ibid., p. 229). Despite the lack of enforcement power, there are arguments regarding the success of IASC in achieving its objective of world-wide acceptance and observance of its standards, in particular, the success of IASC in getting IASs incorporated into the national standards of developing countries. For example, , Meek and Saudagaran, (1990, p. 171) argue that the success of the IASC is mostly in English-speaking countries and among developing countries. Nobes and Parker (1995, p. 126), who examined observance of IASs for four types of countries (i.e. developing countries, emerging countries, continental Western Europe and Japan, and capital-market countries), also stated that "it is perhaps in developing and newly industrial countries that the clearest and most spectacular success [in terms of adoption of IASs] for the IASC might be claimed". Furthermore, both Iddamalgoda (1986) and Belkaoui (1992) claimed that developing countries are more receptive to IASC standards than developed countries. According to Iddamalgoda (1986, p. 66):

> *"the reason for developing countries being more receptive to IASC pronouncements than developed ones, lies in the level of accounting sophistication between developed and developing countries. ... developed countries with well-organised accounting systems, appeared to display a reluctance to change their practices to conform to IASC pronouncements, where such change was perceived to deteriorate the utility of accounting at the national levels. Such a situation does not arise in the case of developing countries, due to their low level of accounting development, and hence the apparent enthusiasm of such countries to organise their accounting on an acceptable basis such as provided by IASC pronouncements".*

An important question, therefore, is 'why are developing countries influenced by IASC standards, in particular, why do developing countries adopt the IASs' ?

Two of the most regularly cited reasons in the literature are *such countries' lack of capability of setting their own standards and the cost of setting up the standards:* Two of the strategies that can be followed in the standard-setting process by any country are development of its own standards without reference to other countries and adoption or adaptation of standards set or used by other countries or standards set by agencies outside its own country (e.g. standards set by the IASC). Wallace (1987, p. 211) argues that even though "every country is free to set its own standards ... only a few countries can originate their own standards from scratch. In effect many countries of the world take standards or follow the standards set by others". He also argues that many developing countries do not have the necessary capabilities and capacity to develop their own accounting standards and therefore for those countries adoption and/or adaptation of internationally agreed standards (e.g. IASs) is a second-best solution.[4] This is partly because adopting IASs is the politically less unattractive alternative to adoption of standards set or used by another country, particularly developed countries (e.g. adoption of US or UK standards), and it

[4]See, Wallace (1987, pp. 207-213). Referring to Briston (1978), Wallace (1987, p. 213) also stated that "the first-best solution is for these countries to develop accounting systems which should be capable of meeting their needs".

"has the great advantage of making life easier for those domestic or foreign companies or accountants with international connections" (Nobes and Parker, 1995). Furthermore, a number of authors note that the adoption of IASs is a cheaper route for these countries than creating their own standards (see for example Nobes and Parker, 1995, p. 127, and Belkaoui, 1992, p. 491). According to Iddamalgoda (1986, p. 66), such adoption of IASs by developing countries may be argued to be desirable since, by doing so, such countries would be able to save themselves the effort of developing their own standards and at the same time contribute to the achievement of greater international accounting harmony".

To *join the international harmonisation/standardisation drive* is another reason put forward to explain why developing countries may adopt or adapt IASs. The rationale behind this is the argument that adopting IASs would allow developing countries to immediately become a part of the mainstream of accepted international accounting standards and these countries benefit from the greater harmonisation/standardisation that can be achieved by adopting the IASs. According to Belkaoui (1992, p. 481) "whatever strategy for standard setting is chosen by developing countries, they can not escape the fact that there is an ongoing international harmonisation drive. They could either learn from it or become a legitimate partner depending on the strategy they choose".

Closely related to joining the international harmonisation/ standardisation drive, '*to facilitate the growth of international trade, particularly to attract the flow of direct foreign investments in order to accelerate the pace of industrial growth and development* is another alleged reason for developing countries to align their national regulatory regimes to those acceptable to the international community. The following statement by Graham and Wang (1995, pp. 149-150) regarding Taiwan tends to support the argument:

> *"Many [Taiwanese] companies trade internationally. Because of their involvement in international markets, Taiwanese companies may benefit from internationally recognised and accepted accounting standards. For example, a Taiwanese accounting system compatible with international business activities might provide financial statements that reduce the risks associated with cross-cultural differences in financial accounting standards. Taiwanese companies could then improve the terms with their foreign suppliers or with their customers. Similarly, providing understandable financial information to international traders could decrease the cost of capital for those companies participating in international capital markets as well as encourage more foreign investors to participate in the Taiwanese securities market. On the surface, at*

least, IAS appear to be a logical guide for the development of Taiwanese Generally Accepted Accounting Principles".

The other cited reasons for adoption or adaptation of IASs by developing countries include to enable their professions to emulate well-established professional standards of behaviour and conduct and to legitimise their status as fully-fledged members of the international community (Belkaoui. 1992, p. 491).

An important point to note is that, despite the above arguments that were put forward in the literature to justify the adoption or adaptation of IASs by developing countries and some indication regarding the adoption/adaptation or use of IASs by developing countries, there have also been substantial arguments that question the relevance and desirability of adoption of IASs by developing countries. For instance Belkaoui (1992, p. 491) noted that:

"The question is whether the benefits described as accruing to the developing countries from the mere adoption of the international accounting standards may be outweighed by the misspecifying of costs. Indeed, the international standards for accounting for various transactions occurring in the advanced countries may be totally irrelevant to some of the developing countries, as these transactions have little chance of occurring or may be occurring in a fashion more specific to the context of the developing countries. The particular situations occurring in the developing countries call for specific and local standard setting. In addition, the institutional and market factors of these countries are different enough in some contexts to justify a more 'situationist' approach to standard setting".

Thus, the above discussion rises the question whether or not IASC efforts to achieve its objective of 'world-wide acceptance and observance of its standards' is successful. The following section seeks answer this question by reviewing the previous studies that assessed the impact of the IASs on both developed and developing countries.

b. Review of empirical studies that have analysed the impact of IASs

A number of studies were undertaken last two decades to evaluate directly or indirectly the impact of IASs on various countries. Some of the notable ones are summarised in Table 2 and reviewed below in chronicle order. As there has been substantial arguments that IASs has had an impact particularly on developing countries, studies that focused on the examination of the impact of IASs developing countries reviewed below separately.

Table 2. Summary of some studies that have attempted to assess the impact of IASs

Authors	Objectives	Countries Surveyed	Scope	Data Sources	Methodology	Main Conclusion
Nair and Frank (1981)	To assess the success of harmonisation efforts by the IASC's	37 countries common to the three PW survey (a majority of which were from the developing)	IASs 1-10	PW surveys 1973, 1975 and 1979	Changes in distribution of countries among requirement categories tested for significance with Friedman's Analysis of variance	The period of the IASC's existence has coincided with a growing harmonisation of accounting standards
Evans and Taylor (1982)	To determining the impact of IASC standards on financial reporting in member nations	France, Spain, the UK, USA and Germany (West)	IASs 2, 3, 4, 6, 7	9-10 annual reports from each country surveyed, for the period of 1975-80	Financial reports examined for evidence of compliance with IASs. Results presented as percentage compliance rates per country for each year	The IASC has had very little impact on the accounting practices of the countries surveyed
McKinnon and Janell (1984)	To analyse direct and indirect influence of the IASs on accounting practice	64 countries covered by the 1979 PW survey	IAS 3 - IAS 21	PW 1979 survey	Descriptive analysis: if practice conform with IAS, if the practices has changed to reflect the new standard, or does practices conform for other reasons	The IASC has not succeeded in changing existing standards or setting new standards
Doupnik and Taylor (1985)	To assess compliance of countries (particularly Western European countries) with IASC standards over time (at two dates- 1979 and 1983) and across groups of countries	50 countries including 16 Western European countries	IAS 1-8	PW 1979 survey and own questionnaire	Response categories weighted. Average scores calculated for countries and groups of countries. Non parametric tests (Kruskal-Wallis one way ANOVA and Mann Whitney U) used to differentiate groups of countries	Many differences still exist in Western European accounting practices though some increased compliance with the IASs was found
Taylor Evans and Joy (1986)	To asses the impact of IASs on comparability and consistency of international accounting reporting practices	- Accountants in 40 IASC countries	IAS 1, 2, 3, 4, 7	Questionnaire survey (date is not available)	The paired-samples t tests were used to test the significance of differences in comparability and consistency before and after the IASs were issued	The International Accounting Standards Committee, through its international accounting standards, appears to be succeeding in improving the comparability and consistency of international accounting reports

IASC (1988)	To examine the use and application of IASs in individual countries	70 Countries whose national accounting bodies were member of IASC	IASs 1-25	Questionnaire survey carried out in 1987	Countries were classified into groups based on 1) the extent to which national requirements and practice conform with each of the first 25 IASs and 2) whether financial statements issued to external users generally conform with IAS	In the majority of countries national requirements or practice conform with 23 of the 25 IASs and the financial statements of the majority treading enterprises conform in all material respects with IASs
Nobes (1990)	To examine direct effects of IASC standards on listed US corporations	The USA	Disclosure requirement(s) of 1) IAS 3 to show minority interests, 2)IAS 4 to show lives of depreciable assets and rates of depreciation and 3)IAS 22 addressing the 'pooling	For minority interest and depreciation disclosure, 1985 annual reports of 200 listed corporations (1976 annual reports of 15 of companies that complied with IAS 3 in 1985 were further analysed) -For pooling, 1983, 84 and 85 annual reports of 61 listed corporations	Number and % of companies complying with each case were determined (for the each year) and significance of compliance with each case as well as the movements in compliance over the years were examined (non-statistical descriptive analysis)	Evidences support the hypotheses that "differential requirements of IAS s are not obeyed by most listed companies" and "IASs have no direct impact ... Any compliance is co-incidental
Graham and Wang (1995)	To provide evidence of the influence of International Accounting Standards on the development of Taiwanese accounting standards	Taiwan	17 Taiwan accounting standards and corresponding IASs	Requirements laid down in selected Taiwanese accounting standards and corresponding IASs and results of 1988 IASC survey	Descriptive analysis: The level of conformity of Taiwan GAAP with IASs was determined by updating the information relating to Taiwan found in the 1988 IASC survey and updated results were compared with the original IASC survey results to determine if the extent of conformity of Taiwanese GAAP to IAS has increased since 1988	Taiwan considers International Accounting Standards in the development of its accounting standards

Al Basteki (1995)	1)To examine the extent of voluntary adoption of IASs by publicly treated Bahraini corporation over years 2) to examine the factors that are associated with voluntary adoption of IASs by such corporations	Bahrain	-All IASs -Factors examined are audit firms, industry classification, size, foreign operation and leverage	- Regarding adoption of the IASs, audit reports of 26 publicly treated Bahraini companies over 10 years period (1982-1991) - Regarding factor: published 1991 annual reports of the same 26 companies	- Descriptive analysis of adoption and changes in adoption of IAS over years - The association between adoption of IAS and five selected factors were tested through 'sample partition' and using variety of univariate tests	-Majority of examined Bahraini companies had adopted IAS in 1991 and the number of companies that had adopted IASs increased during the years 1982-1991 - External auditors have influenced the IASs adoption/non-adoption decision made by the companies examined
Emenyonu and Gray (1995)	To asses the extent to which accounting measurement and associated disclosure practices of large listed companies have became more harmonised internationally since 1973 when the IASC was established	France, Germany, Japan, the UK, and the USA	29 key accounting measurement and 17 related disclosure issues	Published 1971/72 and 1991/92 annual reports of companies 25 from France, 42 from Germany, 54 from Japan, 82 from the UK and 90 from the USA	-Significance of changes in accounting measurement practices over the 20 year period was tested by using Chi square test - I-index used to measure the extend degree of international accounting harmonisation as at both 1971/72 and 1991/92	The impact of efforts to reduce international accounting diversity over the 20-year period from 1971-72 to 1991/92 have been, in general terms, quite modest

Nair and Frank (1981): In this relatively early longitudinal study, Nair and Frank surveyed the effect of IASs 1-10 on the accounting practices of 37 countries, a majority of which were from the developing world, by using the Price Waterhouse (PW) surveys published in 1973, 1975 and 1979. They analysed the data (i.e. changes in distribution of countries among requirement categories) by employing the non-parametric Friedman's Analysis of variance test. Based on their findings, their overall conclusion was that:

> *"the period of the IASC's existence has coincided with a growing harmonisation of accounting standards. This association between the two is strengthened by the fact that many of the topics on which the IASC has issued pronouncements are those on which the authors observe harmonisation" (p.77).*

Nobes (1981) questioned the use of PW data by pointing out several inaccuracies in the PW 1979 survey. Furthermore, Tay and Parker (1990) and Nobes (1996) criticised the researchers' reference to 'accounting practices' claiming that PW data seem more concerned with accounting requirements than with accounting practices.

Evans and Taylor (1982): With the aim of determining the impact of the IASC's standards on financial reporting in member nations, Evans and Taylor studied compliance by large corporations in France, Spain, the UK, USA and West Germany with the main requirements of five IASs (2, 3, 4, 6 and 7) over six years. They gathered the data from the analysis of annual reports of 9-10 companies from each country for the period 1975-1988 (i.e. the period when the five IASs were introduced) and analysed them using percentages in respect of compliance (i.e. results were presented as percentage compliance rates per country for each year). No attempt was made to test the significance of changes in the extent of compliance over the years. They found that:

> *"the IASC has had very little impact on the accounting practices of the countries surveyed. Except for a few instances, a country following a particular method prior to promulgation of an IASC standard continued to follow the same practice after the standard's issuance".*

Tay and Parker (1990) questioned three aspects of this study: use of the English-language version of annual reports, choice of countries and companies sampled. The criticism about the use of the English-language version of annual reports was based on the possibility that they could have been abridged or the financial statements restated on bases other than those used in the original statements. They questioned the choice of countries on the ground that no justification was made (or elimination of other countries that were founding member of the IASC was not justified). They questioned the choice of companies sampled on the basis that they were not matched. Further criticism of this study came from Nobes (1996), who having pointed out misinterpretation of certain findings in the study, claimed that "this paper illustrates some typical problems with some research in international accounting" (p. xii).

A point worth mentioning is that, unlike this study which was merely concerned with developed countries and found little indication of the impact of the IASC, the study by Nair and Frank (1981) covered both developed and developing countries (a majority of countries were developing countries) found an indication of the success of the IASC. In this respect, pointing to the results of these two studies, Iddamalgoda (1986) stated that:

> *"In relating the findings of the study by Evans et al. (1982) ..., which was concerned exclusively with developed countries and which found that the efforts of the IASC had resulted in very little harmonisation in such countries, the evidence of success found by the Nair et al. study may be primarily attributed to the adoption of IAS's by developing countries".*

McKinnon and Janell (1984): Researchers in this study analysed direct and indirect influence of the IASs on accounting practices of countries by looking at the three topics contained in the IASs: depreciation, equity method and currency translation. Using the PW 1979 survey results, the authors first examined existing financial reporting practices with respect to the said issues within 64 countries covered in the PW survey to determine if practice conformed with IASs. They then made a country-by-country analysis to answer the question "Has practice changed to reflect the new standard, or does practice conform for other reasons?" (p.22). They concluded that "the IASC has not succeeded in changing existing standards or setting new standards" (p. 33). This study, like other similar studies that used the same data source (i.e. the PW survey), was criticised on the ground that the original PW survey data contained errors (Nobes, 1981 and 1996).

Doupnik and Taylor (1985): This study attempted to assess compliance of countries (particularly western European countries) with the first eight IASC standards over time (at two dates 1979 and 1983) and across groups of countries (e.g. EU members, non-EU members, etc.). For data on accounting practices in 1979, they analysed the PW 1989 survey; and for 1983 they conducted their own questionnaire to PW offices world-wide, receiving responses from 50 countries 16 of which are located in western Europe. The questionnaire contained 53 propositions representing measurement procedure and disclosure requirements recommended in the first eight IASs and there were five response categories with respect to each issue, ranging from required to not permitted. Doupnik and Taylor, having weighted each response category, calculated average scores for countries as well as the groups of countries. They used non-parametric statistics to differentiates groups of countries. No statistical test was employed to test the significance of changes in level of compliance over years.

Their overall findings seem to support the hypothesis that many differences still exist in western European accounting practices, though some increased compliance with the IASs was found. The other two noteworthy specific findings reported in this study are that EU member countries' level of compliance with the IASs is higher than that of non-EU members, and "EU countries were more inclined to conform to propositions related to disclosure requirements than those related to measurement practices" (p. 33).

Findings of this research, however, were disputed by Nobes (1987), who argued that "the data are too week to support the detailed numerical analysis, descriptions and conclusions of Doupnik and Taylor. Even if this were not the case, the paper's frequent reference to "compliance with IAS standards" would be quite misleading since no evidence is offered to suggest causality"(p. 79).

Taylor, Evans and Joy (1986): This study sought to answer the question of whether or not the comparability and consistency of international accounting reporting practices for five IASs (1, 2, 3, 4, 7) have improved significantly since the standards were issued. They evaluated comparability and consistency before and after the IAS standards were issued based on the results of a questionnaire which was directed to accountants in 40 countries. The paired-samples t test was used to test the significance of differences in comparability and consistency before and after the IASs were issued. The researchers concluded that "the International Accounting Standards Committee, through its international accounting standards, appears to be succeeding in improving the comparability and consistency of international accounting reports and thereby reducing the diversity of international accounting reporting practices" (p. 9).

IASC surveys (1988 and 1996): The IASC published two surveys to evaluate the use and application of the IASs. The first survey (IASC 1988) was based on the responses to a questionnaire sent to IASC member bodies in 70 countries in 1987[5]. In the questionnaire, the IASC member bodies were asked to indicate 1) the extent to which national requirements or practices conform with each of the first 25 IASs and 2) whether financial statements issued to external users generally conform, in all material aspects, with IAS and, if so, whether they disclose the fact. On the basis of a descriptive analysis of questionnaire results,[6] the IASC (1988) reported that in the majority of countries' national requirements or practices conform with 23 of the existing 25 IASs (the exceptions were IASs 14 and 15) and that the financial statements of the

[5] Information regarding the number of questionnaires returned was not given in the survey report.

[6] In this analysis, countries were classified into groups based on 1) the extent to which national requirements and practices conform with each of the first 25 IASs and 2) whether financial statements issued to external users generally conform with IASs.

majority of private-sector and public-sector trading enterprises conform in all material respects with IASs (but disclosure of such conformity was found to be rare).

The IASC carried out its second survey in 1996 and published only the results of a preliminary analysis of the responses in 1997 (IASC, 1997). The main findings in this survey are that 56 of the 67 countries either look directly to IASs as their national standards or develop national standards based primarily on IASs. In only 11 out of 67 countries are national standards developed primarily without reference to IASs. An important point to note is that the majority of countries found to be using IASs as national standards in this study are developing countries (details will be discussed in the next section).The survey also found that IASs are accepted by many stock exchanges, including London, Frankfurt, Zurich, Luxembourg, Thailand, Hong Kong, Amsterdam, and Rome.

One of the important limitations of both surveys, which suggest existence of a high level conformity, is that, in each survey questions asked related to entire standards rather than to specific issues inside each standard. Accounting requirements in a country may conform with most of a standard while specific parts are not conformed with at all. Furthermore, the questionnaire surveys which were completed by the member bodies of IASC may be subject to some "wishful thinking bias"(Meek and Saudagaran, 1990, p.171).

Nobes (1990): In this study Nobes examined *direct effects* of IASC standards on listed US corporations by looking at those corporations' compliance with IASs in three areas of disclosure where there were IASC requirements but no USA GAAP. The areas chosen in this study were IAS 3's requirement to show minority interest in the consolidated balance sheet, IAS 4's requirement to show lives of depreciable assets and rates of depreciation, and the disclosure requirements of IAS 22 addressing the 'pooling' (e.g. amount of assets transferred in pooling, effective date of pooling, etc.). Having gathered data with respect to each case from the annual reports of listed US corporations,[7] Nobes first examined whether or not a significant majority of sampled US corporations were complying with the specified requirements of the IASs. In each case, compliance by a sample of companies was found to be significantly less than 50%. For minority interest disclosure and pooling disclosure, he carried out further analysis to determine if there had been moves towards compliance since the introduction of relevant IASs. In both cases, his analysis revealed that there were no such movements. Nobes concluded that the results

[7] Data with respect to the first two areas were gathered from the 1985 annual reports of 200 randomly chosen listed US corporations (1976 annual reports of 15 of companies that complied with IAS 3 in 1985 were further analysed). With respect to the last area, data were collected from the 1983, 84 and 85 annual reports of 61 listed US corporations.

of the study provide sufficient evidence to accept the hypotheses that "differential requirements of IASs are not obeyed by most listed companies" and "IASs have no direct impact" (p.49). He further noted that "any apparent compliance is "co-incidental".

Graham and Wang (1995): With the specific aim "to provide evidence of the influence of International Accounting Standards on the development of Taiwanese accounting standards" (Graham and Wang, 1995, p. 149), the authors looked at whether the recently issued Taiwanese accounting standards were conforming with the IASs. In this descriptive, non-statistical study, having analysed 17 recently issued Taiwanese accounting standards for compatibility with existing IASs, they updated the information relating to Taiwan found in the 1988 IASC survey to determine if the extent of conformity of the Taiwanese GAAP to IASs had increased since 1988. They found an indication that the Taiwanese GAAP are increasingly in conformity with IASs. The conclusion was that "Taiwan considers International Accounting Standards in the development of its accounting standards and that International Accounting Standards are applicable to the formation of accounting standards in economically developing countries" (p.149). The latter remark in this conclusion, however, can be questioned on the ground that an increase in the level of conformity of a developing country's GAAP with the IASs itself does not necessarily indicate applicability of IASs on developing countries, because the environment within which accounting develops is not the same in each developing country. Furthermore, as discussed above, a number of authors believe that the adoption of IASs in developing countries is likely to do more harm than good.

Al-Basteki (1995): In this case study Al-Basteki looked at 1) the extent of voluntary adoption of IASs by publicly traded corporations in Bahrain (a developing country) over 10 years and 2) the factors associated with voluntary adoption of IASs by the said corporations. Data regarding the voluntary adoption of the IASs were gathered from the audit reports of 26 publicly traded Bahraini companies during the 1982-1991 period. The data with respect to five specified factors (i.e. audit firms, industry classification, size, foreign operation and leverage) were gathered from the 1991 annual reports of the same 26 corporations. A descriptive analysis of the extent of voluntary adoption revealed that the majority of examined Bahraini companies (58%) had adopted IASs in 1991 and the number of companies that had adopted IASs increased during the years 1982-1991 (from 5 to 15). Furthermore, the association between voluntary adoption of IASs and audit firms and industry were tested through 'sample partition' and the other factors were tested using a variety of univariate tests. The results indicated that only external auditors have influenced the IASs adoption/nonadoption decision made by Bahraini publicly traded corporations[8].

Emenyonu and Gray (1995): Following the similar methodological approach adopted in their earlier study reviewed above (see section 3.4.1.4.1), the researchers attempted to assess the extent to which accounting measurement and associated disclosure practices of large listed companies from five countries (France, Germany, Japan, the UK, and the USA) had became more harmonised internationally since 1973 when the IASC was established. This assessment was made by an examination of 29 key accounting measurements and 17 related disclosure issues as at 1991/92 and a comparison made with the position as at 1971/72. Data with respect to each specified issue were gathered from annual reports of 293 sampled companies across the five countries. Like their previous study, they employed two statistical tools. First they used a chi-square test to assess the significance of changes in accounting measurements and associated disclosure practices over the 20-year period. Second, for each of the accounting measurement practices analysed, they constructed a harmony index (I index) to asses the extent of international accounting harmonisation as at both 1971/72 and 1991/1992. Their overall conclusion was that "the impact of efforts to reduce international accounting diversity over the 20-year period from 1971/72 to 1991/92 has been, in general terms, quite modest" (p. 278).

Studies examined the impact of IASs on developing countries: Although . it has been claimed that "the work of the IASC has had considerable impact on accounting in [developing countries]" (Iddamalgoda, 1986, p.66), empirical studies focused particularly on the examination of the impact of the IASs on developing countries are rather limited. Purvis et al. (1991), in an empirical analysis of compliance with IASC standards, grouped countries into three types: un-standardised, independent of the IASC and dependent upon the IASC. A total of 11 countries were found to fall into the 'dependent upon IASC' group, all of which are developing countries. The countries that fall into this group were Botswana, Cyprus, Fiji, Jamaica, Malawi, Malaysia, Oman, Pakistan. Singapore, Sri Lanka and Zimbabwe. It is interesting to note that all the countries in this group are (or have been) members of the British Commonwealth. On average, these countries have adopted or followed 20.5 of the 25 IASs. The researchers noted that "in developing countries, the tendency

[8] An important point to note is that, in Bahrain, there where no local accounting standards exist at the time that this research carried out and almost all the companies selected in this study were audited by big international audit firms. Al-Basteki having acknowledged that the findings in his study "might not be generalizable to other developing countries" as "each country has a unique socio-economic environment that has influence its accounting practices" (P.62), pointed out a need for further similar study to be carried out in other developing countries.

is for local accounting institutions to adopt or adapt IAS for their own standard" (Purvis et al., 1991, p. .29).

The recent survey carried out by IASC (1997), which is summarised in Table 3.2, also indicates the use of IASs by developing countries.

Table. 3 *Use of IASs by countries*

Countries where		
IASs used as national standards	*IASs used as national standards but national standards developed for topics not covered by IASs*	*IASs are used directly as national standards but, in some cases, may be modified for local conditions or circumstances*
Croatia, Cyprus, Kuwait, Latvia, Malta, Oman, Pakistan, Trinidad and Tobago	Malaysia, Papua New Guinea	Albania, Bangladesh. Barbados, Colombia, Jamaica, Jordan, Kenya, Poland, Sudan, Swaziland, Thailand, Uruguay, Zambia, Zimbabwe

Source: IASC (1997)

As Table 3 shows, all of the 10 countries where IASs were used as national standards and all of the 14 countries where IASs were used directly as national standards but, in some cases, modified for local conditions or circumstances were 'developing countries'.

An interesting point raised by Belkaoui (1992, p.491) is that "some of the developing countries give more credence to the IASC ... than do some of the developed countries that have a dominant influence in the preparation of such standards". Indeed, the results of the above reviewed studies by Nobes (1990), who found that IASs have no direct impact on listed US companies, and by Al-Basteki (1995), who found that companies in Bahrain have increasingly adopted voluntarily the IASs over the years, tend to support such a view.

IV. Summary and Conclusion

There have been substantial efforts to increase global harmonisation. The primary generator of such efforts has been the IASC and this paper reviewed the IASC's harmonisatýon efforts and their impact on accounting in various countries on the basis of the extant literature.

The IASC, which is an independent private-sector body, has issued several IASs since 1973 addressing most of the important issues of corporate financial reporting. Despite the lack of enforcement power, there are arguments that the IASC has had some success in getting IASs incorporated into the national standards of certain member countries, particularly member developing countries. However, the results of empirical studies that attempted to evaluate directly or indirectly the impact IASs on various countries, provide mixed evidence. Among the studies that looked at compliance with or observance of IASs at a point in time or over the years in various countries, while the results of studies by the IASC (1988 and 1996), Al-Basteki (1995) and Graham and Wang (1995) provide a strong indication, results of relatively early longitudinal studies by Evans and Taylor (1982), McKinnon and Janell (1984) and Doupnik and Taylor (1985) provide little evidence, and the study by Nobes (1990) provides no evidence regarding the impact of the IASC standards on various countries. On the other hand, among the studies that focused on the impact of IASs on harmonisation of accounting across countries, unlike Nair and Frank (1981) who concluded that the period of the IASC's existence has coincided with a growing harmonisation of accounting standards, Emenyonu and Gray (1995) noted that the impact of efforts to reduce international accounting diversity over the years has been quite modest. On the other hand, use and/or adoption of IASs by a number of developing countries as evidenced in some of the studies (e.g. the IASC surveys 1997, Purvis et al., 1991; Al-Basteki, 1995) tend to support the claim that the 'work of the IASC has had some impact on accounting in developing countries'. It is necessary to point out, however, that the majority of the developing countries that have adopted/adapted or have been using IASs are (or have been) members of the British Commonwealth, and as pointed out by Wallace (1987, p. 223) "developing countries are not a homogenous group". As such, it is not easy to make meaningful generalisations about the impact of IASs on accounting and disclosure in developing countries, until we understand the impact of such factors on accounting in many of these countries.

In conclusion, although there exist some indication of use of IASs by certain countries, particularly some developing countries that are members of the British Commonwealth and there appears to exist certain extent of harmonisation in accounting among some countries as a result of use of IASs, the extant literature do not provide conclusive evidences suggesting that IASC has been successful in achieving its objective of 'world-wide acceptance and observance of its standards' and world-wide accounting harmonisation.

APPENDIX I

History of International Accounting Standards

Exposure Draft & publication date	Final IAS & publication date in	Effective	Comments
E1 Disclosure of Accounting Policies (March 1974)	IAS 1 Disclosure of Accounting Policies (January 1975)	1.1.1975	Reformatted in 1994, Superseded by IAS 1 Presentation of Financial Statements (Effec. 1.7.1998)
E2 Valuation and Presentation of Inventories in the Context of the Historical Cost System (September 1974)	IAS 2 Valuation and Presentation of Inventories in the Context of the Historical Cost System (October 1975)	1.1.1976	Superseded by IAS 2. Inventories. (Effective 1.1.1995)
E3 Consolidated Financial Statements and the Equity Method of Accounting (December 1974)	IAS 3 Consolidated Financial Statements (June 1976)	1.1.1977	Superseded by IAS 27 and IAS 28 (effective 1.1.1990)
E4 Depreciation Accounting (June 1975)	IAS 4 Depreciation Accounting (October 1976)	1.1.1977	Reformatted in 1994
E5 Information to be Disclosed in Financial Statements (June 1975)	IAS 5 Information to be Disclosed in Financial Statements (October 1976)	1.1.1977	Reformatted in 1995 Superseded by IAS 1 Presentation of Financial Statements (Effective 1.7.1998)
E6 Accounting Treatment of Changing Prices (January 1976)	IAS 6 Accounting Responses to Changing Prices (January 1977)	1.1.1978	Superseded by IAS 15 (effective 1.1.1983)
E7 Statement of Source and Application of Funds (June 1976)	IAS 7 Statement of Changes in Financial Position (October 1977)	1.1.1979	Superseded by IAS 7, Cash Flow Statements (Effective 1.1.1994)
E8 The Treatment in the Income Statement of Unusual Items and Changes in Accounting Estimates and Accounting Policies (October 1976)	IAS 8 Unusual and Prior Period Items and Changes in Accounting Policies (February 1978)	1.1.1979	Superseded by IAS 8 Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies (Effective 1.1.1995)
E9 Accounting for Research and Development Costs (February 1977)	IAS 9 Accounting for Research and Development Activities (July 1978)	1.1.1980	Superseded by IAS 9, Research and Development Costs (Effective 1.1.1995)
E10 Contingencies and Events Occurring After the Balance Sheet Date (July 1977)	IAS 10 Contingencies and Events Occurring After the Balance Sheet Date (October 1978)	1.1.1980	Reformatted in 1995
E11 Accounting for Foreign Transactions and Translation of Foreign Financial Statements (December 1977)			Re-drafted and re-exposed as E23
E12 Accounting for Construction Contracts (December 1977)	IAS 11 Accounting for Construction Contracts (March 1979)	1.1.1980	Superseded by IAS 11, Construction Contracts (Effective 1.1.1995)
E13 Accounting for Taxes on Income (April 1978)	IAS 12 Accounting for Taxes on Income (July 1979)	1.1.1981	Reformatted in 1995 Superseded by IAS 12, Income Taxes (Effective 1.1.1998)
E14 Current Assets and Current Liabilities (July 1978)	IAS 13 Presentation of Current Assets and Current Liabilities (November 1979)	1.1.1981	Reformatted in 1995 Superseded by IAS 1 Presentation of Financial Statements (Effective 1.7.1998)
E15 Reporting Financial Information by Segment (March 1980)	IAS 14 Reporting Financial Information by Segment (August 1981)	1.1.1983	Reformatted in 1995 Superseded by IAS 14 Segment Reporting (Effective 1.7.1998)

E16 Accounting for Retirement Benefits in the Financial Statements of Employers (April 1980)	IAS 19 Accounting for Retirement Benefits in the Financial Statements of Employers (January 1983)	1.1.1985	Superseded by IAS 19, Retirement Benefit Costs (Effective 1.1.1995)
E17 Information Reflecting the Effects of Changing Prices (August 1980)	IAS 15 Information Reflecting the Effects of Changing Prices (November 1981)	1.1.1983	Reformatted in 1995
E18 Accounting for Property, Plant and Equipment in the Context of the Historical Cost System (August 1980)	IAS 16 Accounting for Property, Plant and Equipment (March 1982)	1.1.1983	Superseded by IAS 16. Property, Plant and Equipment (Effective 1.1.1995)
E19 Accounting for Leases (October 1980)	IAS 17 Accounting for Leases (September 1982)	1.1.1984	Reformatted in 1.1.1995 See also E56.
E20 Revenue Recognition (April 1981)	IAS 18 Revenue Recognition (December 1982)	1.1.1984	Superseded by IAS 18, Revenue, (Effective 1.1.95)
E21 Accounting for Government Grants and Disclosure of Government Assistance (September 1981)	IAS 20 Accounting for Government Grants and Disclosure of Government Assistance (April 1983)	1.1.1984	Reformatted in 1995
E22 Accounting for Business Combinations (September 1981)	IAS 22 Accounting for Business Combinations (November 1983)	1.1.1985	Superseded by IAS 22, Business Combinations (Effective 1.1.1995)
E23 Accounting for the Effects of Changes in Foreign Exchange Rates (March 1982)	IAS 21 Accounting for the Effects of Changes in Foreign Exchange Rates (July 1983)	1.1.1985	Superseded by IAS 21, The Effects of Changes in Foreign Exchange Rates, (Effective 1.1.1995)
E24 Capitalisation of Borrowing Costs (November 1982)	IAS 23 Capitalisation of Borrowing Costs (March 1984)	1.1.1986	Superseded by IAS 23, Borrowing Costs (Effective 1.1.1995)
E25 Disclosure of Related Party Transactions (March 1983)	IAS 24 Related Party' Disclosures (July 1984)	1.1.1986	Reformatted in 1995
E26 Accounting for Investments (October 1984)	IAS 25 Accounting for Investments (March 1986)	1.1.1987	Reformatted in 1995 Revisions proposed in E62
E27 Accounting and Reporting by Retirement Benefit Plans (July 1985)	IAS 26 Accounting and Reporting by Retirement Benefit Plans (January 1987)	1.1.1988	Reformatted in 1995
E28 Accounting for Investments in Associates and Joint Ventures (July 1986)	IAS 28 Accounting for Investments in Associates (April 1989)	1.1.1990	Reformatted in 1995 Consequential amendments 1998 as a result of IAS 38
E29 Disclosures in the Financial Statements of Banks (April 1987)			Re-drafted and re-exposed as E34
E30 Consolidated Financial Statements and Accounting for Investments in Subsidiaries (September 1987)	IAS 27 Consolidated Financial Statements and Accounting for Investments in Subsidiaries (April 1989)	1.1.1990	Reformatted in 1995

E31 Financial Reporting in Hyperinflationary Economies (November 1987)	IAS 29 Financial Reporting in Hyperinflationary Economies (July 1989)	1.1.1990	Reformatted in 1995
E32 Comparability of Financial Statements (January 1989)	Statement of Intent on Comparability of Financial Statements (July 1990)		Ten revised International Accounting Standards published December 1993
E33 Accounting for Taxes on Income (January 1989)			Re-drafted and re-exposed as E49
E34 Disclosures in the Financial Statements of Banks and Similar Financial Institutions (July 1989)	IAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions (August 1990)	1.1.1991	Reformatted International Accounting Standard (Effective 1.1.1995
E35 Financial Reporting of Interests in Joint Ventures (December 1989)	IAS 31 Financial Reporting of Interests in Joint Ventures (December 1990)	1.1.1992	Reformatted in 1995 Consequential amendments 1998 as a result of IAS 38
E36 Cash Flow Statements (July 1991)	IAS 7 (Revised 1992)Cash Flow Statements (December 1992)	1. 1.1994	Superseded IAS 7, Statement of Changes in Financial Position
E37 Research and Development Activities (August 1991)	IAS 9 (Revised 1993) Research and Development Costs (December 1993)	1.1.1995	Revised Standard which formed part of the Comparability /Improvements Project Superseded by IAS 38, effective 1.7.99.
E38 Inventories (August 1991)	IAS 2 (Revised 1993) Inventories (December 1993)	1.1.1995	Revised Standard which formed part of the Comparability /Improvements Project
E39 Capitalisation of Borrowing Costs (August 1991)	IAS 23 (Revised 1993) Borrowing Costs (December 1993)	1.1.1995	Revised Standard which formed part of the Comparability /Improvements Project
E40 Financial Instruments (September 1991)			Re-drafted and re-exposed as E48
E41 Revenue Recognition (May 1992)	IAS 18 (Revised 1993) Revenue (December 1993)	1.1.1995	Revised Standard which formed part of the Comparability /Improvements Project
E42 Construction Contracts (May 1992)	IAS 11 (Revised 1993) Construction Contracts (December 1993)	1.1.1995	Revised Standard which formed part of the Comparability /Improvements Project
E43 Property, Plant and Equipment (May 1992)	IAS 16 (Revised 1993) Property, Plant and Equipment (December 1993)	1.1.1995	Revised Standard which formed part of the Comparability /Improvements ProjectConsequential amendments as a result of IAS 38, effective 1.7.99.
E44 The Effects of Changes in Foreign Exchange Rates (May 1992)	IAS 21 (Revised 1993) The Effects of Changes in Foreign Exchange Rates (December 1993)	1.1.95	Revised Standard which formed part of the Comparability /Improvements Project

E45 Business Combinations (June 1992)	IAS 22 (Revised 1993) Business Combinations (December 1993)	1.1.1995	Revised Standard which formed part of the Comparability /Improvements Project.
E46 Extraordinary Items, Fundamental Errors and Changes in Accounting Policies (July 1992)	IAS 8 (Revised 1993) Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies (December 1993)	1.1.1995	Revised Standard which formed part of the Comparability /Improvements Project
E47 Retirement Benefit Costs (December 1992)	IAS 19 (Revised 1993) Retirement Benefit Costs (December 1993)	1.1.1995	Revised Standard which formed part of the Comparability /Improvements Project.
E48 Financial Instruments (January 1994)	IAS 32 Financial Instruments: Disclosure and Presentation (June 1995)	1.1.1996	Those portions of E48 relating to disclosure and presentation were finalised in IAS 32. E62 addresses the recognition and measurement issues not covered in IAS 32.
E49 Income Taxes (October 1994)	IAS 12 (Revised 1996) Income Taxes (October 1996)	1.1.1998	Revised Standard supersedes IAS 12, Accounting for Taxes on Income. See also E33.
E51 Reporting Financial Information by Segment (December 1995)	IAS 14 (Revised 1997) Segment Reporting (August 1997)	1.7.1998	Revised Standard supersedes IAS 14, Reporting Financial Information by Segment
E52 Earnings Per Share (January 1996)	IAS 33 Earnings Per Share (February 1997)	1.1.1998	
E53 Presentation of Financial Statements (July 1996)	IAS 1 (revised 1997) Presentation of Financial Statements (August 1997)	1.7.1998	Revised Standard supersedes IAS 1, IAS 5 and IAS 13.
E54 Employee Benefits (October 1996)	IAS 19 (revised 1998) Employee Benefits (February 1998)	1.1.999	Revised Standard supersedes IAS 19, Retirement Benefit Costs.
E56 Leases (April 1997)	IAS 17 (revised 1997) Leases (December 1997)	1.1.1999	
E58 Discontinuing Operations (August 1997)	IAS 35 Discontinuing Operations (June 1998)	1.1.1999	Supersedes paragraphs 19-22 of IAS 8.
E59 Provisions, Contingent Liabilities and Contingent Assets (August 1997)	IAS 37 Provisions, Contingent Liabilities and Contingent Assets (September 1998)	1.7.1999	Supersedes those parts of IAS 10 that deal with contingencies, Events after balance sheet date are being addressed in a separate IASC project.
E60 Intangible Assets (August 1997)	IAS 38 Intangible Assets (September 1998)	1.7.1999	Supersedes IAS 9. Also resulted in consequential amendments to IAS 16, 28, and 31 relating to IAS 38
E61 Business Combinations (August 1997)	IAS 22 Business Combinations (September 1998)	1.7.1999	Limited changes to IAS 22. Business Combinations, relating to IAS 38

Sources: Adopted from Cairns (1995, pp. 46-51) and IASC, (1998)

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