

## PRESS RELEASE

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### **IFRS Foundation charts progress towards global adoption of IFRS**

**The IFRS Foundation has completed the first phase of an important initiative to assess the progress towards global adoption of IFRSs. The G20 has called for global adoption of a single set of high quality financial reporting standards. This initiative is intended to provide a central source of information that permits interested parties to chart jurisdictional progress towards the achievement of that goal.**

The completion of the first phase of this project sees the publication of IFRS profiles for all G20 jurisdictions, as well as profiles for a further 46 jurisdictions who responded to a survey of national and regional bodies with overall responsibility for accounting standards within their jurisdiction. The profiles are available on the IFRS website at [go.ifrs.org/global-standards](http://go.ifrs.org/global-standards) [ADD LINK]. A second phase of the project is under way and further profiles will be posted on the website during the coming months with the ultimate goal of providing profiles for most jurisdictions in the world by the end of 2013.

Of the 66 jurisdictions that responded to the survey;

- 95 per cent have made public commitments supporting IFRSs as the single set of financial reporting standards suitable for global application.
- 80 per cent have already adopted IFRSs as a requirement for all or nearly all companies whose securities are publicly traded, while most of the remaining jurisdictions have made significant progress toward use of IFRSs.
- Jurisdictions that have adopted IFRS have made very few modifications to IFRSs, while the few that were made are generally regarded as temporary steps in the jurisdiction's plans to adopt IFRSs. Furthermore, in almost all cases, the IASB has active projects on its agenda that will result in an updated version of the Standard to which the jurisdiction has made modifications.
- More than half of jurisdictions have either already adopted the IFRS for SMEs or are planning to do so in the near future.

The profiles describe each jurisdiction's decision regarding use of IFRSs. They also cover, if applicable, each jurisdiction's process for adopting or endorsing IFRSs under local law or regulations, as well as the process (if any) for translating IFRSs into the local language.

In their February 2012 strategy review report, the Trustees recognised that adoption of IFRSs is a voluntary public interest decision by the legislative and regulatory authorities in individual jurisdictions and it is for individual public authorities to determine the most appropriate method for bringing IFRSs into national law. Regardless of the mechanics of IFRS adoption, the end result should be the same—full adoption of IFRSs in order to achieve the goal of a single set of global accounting standards.

The jurisdiction profiles were prepared by the IFRS Foundation under the direction of former IASB member Paul Pacter on the basis of information from multiple sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to a survey that the Foundation conducted between August and December 2012 on the application of IFRSs around the world. The Foundation drafted the profiles and invited the respondents to the survey and others, including regulators and international audit firms, to review the drafts, and their comments are reflected in the published profiles.

Commenting on the initiative, Michel Prada, Chairman of the IFRS Foundation Trustees, said:

“This is an important initiative that seeks to describe progress around the world towards the G20-endorsed goal of a single set of high quality global accounting standards. Collectively, the profiles illustrate the remarkable progress that has been achieved in little more than 10 years. Although different countries are at different stages along the path to IFRS adoption, the direction of travel is clear and the momentum is unstoppable.

“I would like to thank the many people around the world who are helping us with this project, especially former IASB member Paul Pacter, whose knowledge has helped us to assemble such an impressive library of information.”

Also today, Hans Hoogervorst, Chairman of the IASB, spoke extensively about this project during a speech given at the IFRS Asia-Oceania Policy Forum in Hong Kong. A copy of his speech, entitled ‘Are we there yet?’ is available to download from [\[ADD LINK\]](#)

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## Notes to Editors

The following overall observations can be made about the data reported in the initial 66 profiles describing how International Financial Reporting Standards (IFRSs) are applied in 66 jurisdictions.

1. **Commitment to a single set of global accounting standards.** Nearly all of the jurisdictions (63 of the 66) have made a public commitment supporting a single set of high quality global accounting standards. Only Albania, Macao, and Switzerland have not.
2. **Commitment to IFRSs.** The relevant authority in all but 1 of the 66 jurisdictions (Switzerland) has made a public commitment to IFRSs as the single set of global accounting standards.
3. **Adoption of IFRSs.** 55 jurisdictions (over 80 per cent of the profiles) have adopted IFRSs for at least some companies in their capital markets. All but 2 of those have already begun using IFRSs. Brunei and Colombia will begin using IFRSs in 2014 and 2015 respectively. Of the remaining 11 jurisdictions that have not adopted:
  - (a) two (Pakistan and Singapore) have adopted most but not all IFRSs as part of national GAAP with some modifications;
  - (b) three permit IFRSs on a limited voluntary basis for domestic and/or foreign issuers (India, Japan, United States);
  - (c) one (Saudi Arabia) requires IFRSs on a limited basis (banks and insurance companies only);
  - (d) two (Bhutan and Bolivia) have not adopted IFRSs, but IFRSs are nonetheless used by some companies, and Bhutan has begun an adoption process;
  - (e) one (China) has substantially converged its national standards to IFRSs; and
  - (f) two (Macao and Indonesia) have adopted some IASs/IFRSs but have not announced a plan or timetable for full adoption.

The 55 jurisdictions classified as having adopted IFRSs include the EU Member States to which the IAS 39 ‘carve-out’ applies. The carve-out affects fewer than two dozen banks out of the 8,000 IFRS companies whose securities trade on a regulated market in Europe.

The 55 also include several jurisdictions that have adopted IFRSs word for word as their national accounting standards (including Australia, Hong Kong, and New Zealand).

The 55 also include four jurisdictions that have adopted recent, but not the latest, bound volumes of IFRSs: Macedonia (2009); Myanmar (2010); Sri Lanka (2011); and Venezuela (2008). Those jurisdictions are working to update their adoption to the current version.

The 66 Profiles include 14 of the 27 member states of the European Union, where IFRSs are required for all companies whose securities trade in a regulated market. The remaining 13 EU profiles are planned for posting in mid-July.

4. **Scope of use of IFRSs.** 50 jurisdictions require IFRSs for all publicly traded companies, and another 5 require IFRSs for all publicly traded companies other than financial institutions. Around 60 per cent of 50 jurisdictions that require IFRSs for all publicly traded companies also require IFRSs for other companies, generally financial institutions and large unlisted companies. Over 90 per cent of the 50 jurisdictions that require IFRSs for publicly traded companies also permit IFRSs for all or most non-publicly traded companies.
5. **Few modifications.** The 66 jurisdictions made very few modifications to IFRSs, and the few that were made are generally regarded as temporary steps in the jurisdiction's plans to adopt IFRSs. For example, the EU itself describes its IAS 39 'carve-out' as 'temporary', and the 'carve-out' has been applied by fewer than two dozen banks out of the 8,000 IFRS companies whose securities trade on a regulated market in Europe. The IASB currently has projects on its agenda to address most of the other modifications, including use of the equity method to account for subsidiaries in separate company financial statements; loan loss provisioning; and accounting for bearer biological assets. A few jurisdictions have deferred the effective dates of some Standards, particularly IFRSs 10, 11 and 12 and IFRIC 15.
6. **Auditor's report.** In 32 of the 55 jurisdictions that have adopted IFRSs, the auditor's report refers to conformity with IFRSs. In 17 jurisdictions the auditor's report refers to conformity with IFRSs as adopted by the EU. In the 6 remaining jurisdictions the auditor's report refers to conformity with national standards (Hong Kong Financial Reporting Standards, Myanmar Financial Reporting Standards, IFRSs as adopted in Korea, IFRSs as adopted in Serbia, Sri Lanka Accounting Standards, and Uruguay Accounting Standards).
7. **IFRS for SMEs.** 29 of the 66 jurisdictions have adopted IFRS for SMEs, and it is currently under consideration in an additional 8 jurisdictions.

## **About the IFRS Foundation**

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The IFRS Foundation is the oversight body of the International Accounting Standards Board (IASB). The Foundation, through the IASB, is committed to developing, in the public interest, a single set of high quality, global accounting standards that require transparent and comparable information in general purpose financial statements.

The Trustees of the IFRS Foundation promote the work of the International Accounting Standards Board (IASB) and the rigorous application of IFRSs but are not involved in any technical matters relating to the standards. This responsibility rests solely with the IASB.