

AccountancyAge

EC launches review of IFRS in the EU

by Richard Crump

23 Jan 2014



THE EUROPEAN COMMISSION has commissioned a review into the effects of using IFRS within the EU, in a move which could increase the EU's fractious relationship with the global body responsible for setting international accounting standards.

The review, which is to be conducted by Mazars and the ICAEW, will assess whether the switch to IFRS has delivered the benefits that had been expected by the EU.

"The task of Mazars and ICAEW is to take stock after eight years of IFRS reporting in the EU and assess the impact of the switch

to IFRS on the comparability and transparency of the financial reports of European companies," said Robert Hodgkinson, ICAEW executive director.

The review comes amid growing tension between the IASB and European policymakers, who feel that the standard setter's project on lease accounting is skewed towards US interests and have been heavily critical of changes to the conceptual framework that underpins the formation of accounting standards.

Last year, European parliament suggested that its contributions to the IASB - which represents about a third of the body's total funding - could be made contingent on the IASB updating the way it sets international reporting standards. However, its stance has since mellowed and such a move no longer seems likely.

The project will run until Autumn 2014.

© Incisive Media Investments Limited 2014 , Published by Incisive Financial Publishing Limited, Haymarket House, 28-29 Haymarket, London SW1Y 4RX, are companies registered in England and Wales with company registration numbers 04252091 & 04252093