

# History of ifrs

[History](#)



**ASSIGN  
BUSTER**

## **History of IFRS**

During Second World War, international accounting standards began to grow due to the lack of knowledge in recording accounting and the increases of cross boarder capital flows in the market. Several accounting board had been formed for the purpose of development of accounting standards to make it readable, understandable and record in a proper way. All of these accounting boards and committee are using the same way to convergence which is harmonization instead of standardization because it facing different culture among countries so it is hard for them to standardize these accounting standards. International Accounting Standards Committee was an organization which established in 1973 to be ensure the correct, understandable, readable and true and fair view of presentation of audited accounts and financial statements.

They had been issued International Accounting Standards during year 1975 to be a guideline for financial reporting. They had also been established 25 standards in 1987. In year 2001, they had been reconstituted to International Accounting Standards Boards due to the reason of unprofessional of members who worked as part timer only. International Accounting Standards Board had 13 members who worked as full timer for them to develop the accounting standards and promote them internationally.

The first International Financial Reporting Standards was established by IASB in the year 2004 which the original name of IFRS is IAS (International Accounting Standards). European Union had been announced that they will applied IFRS in year 2005 for all euro countries.

After that, IASB had been established Accounting Standards Advisory Forum in early 2013 to ensure the countries understand of IFRS and applied it in a proper way. In Malaysia, IAS had been applied since 1978 but they are not compulsory for the companies to apply it so in year 1997, Malaysia Accounting Standards Board (MASB) and Bursa Malaysia required all public listed companies to apply IAS through Financial Reporting Act 1997. It make all the financial statement of public listed companies more competitive and readable for all investor.

After that, MASB had changed the name of Malaysia Accounting Standards to Financial Reporting Standards and they had been announced in year 2005 that they will fully apply IFRS convergence in year 2012. After that, they had changed the name again from Financial Reporting Standards to Malaysia Financial Reporting Standards showed that Malaysia are towards to the IFRS convergence.