

International financial accounting standards



SAAB intends to limit such choice of accounting treatments 1 Develop, in the public interest, a single set of high quality understandable and enforceable global accounting standards that require high quality transparent and capable information in financial statements and other financial reporting to help the participants in the various capital markets of the world and other users of the information to make economic decisions. 2.) Promote the use and rigorous application of those standards.

Work actively with national standards-setters to bring convergence of national accounting standards and International Financial Reporting Standards (IFRS) to high quality solution. 3.) Firms are designed to apply to the general purpose financial statements and their financial reporting of all profit-oriented entities. These entities include those engaged in commercial, industrial, financial and similar activities, whether organized in corporate or other forms. 4. The standards that IASB was issuing contained many objectives thereby defeating the purpose of consistency in recognition, measurement and presentation of transactions. IASB intends to limit such choice of accounting treatments 5.) In relation with the IASB's role in the issue of an Interpretation when the IFRS Interpretations Committee has reached a consensus on an Interpretation, the Interpretation is put to the IASB for ratification (in a public meeting) before being issued. Approval by the IASB requires at least nine IASB members to be in favor.

The IASB votes on the Interpretation as submitted by the Interpretations Committee. If an Interpretation is not approved by the IASB, the IASB provides the Interpretations Committee with an analysis of the objections and concerns of those voting against the Interpretation On the basis of this

analysis, the SAAB will decide whether the matter should be referred back to the Interpretations Committee, added to the Saab's own agenda or not be the subject of any further action. Approved Interpretations are issued by the SAAB. .) The ASSAI develops its standards by conducting an extensive due process, which is accountability. 7.) Firms, as established by the SAAB, are now used in more than 100 countries, including three quarters of the 620 and all the Member States of the European Union. 8.) SAAB introduced fair value accounting helped to reveal the crisis, in particular through requiring the banks to report losses earlier than under any other accounting basis, as was demonstrated by the recent writers of Greek sovereign debt.

At their January 2009 meeting the Trustees of the Foundation concluded the first part of the second Constitution Review, announcing the creation of a Monitoring Board and the expansion of the SAAB to 16 members and giving more consideration to the geographical composition of the SAAB. The FIRS Interpretations Committee has 14 members. Its brief is to provide timely guidance on issues that arise in practice. A unanimous vote is not necessary in order for the publication of a Standard, exposure draft, or final "AFRICA" Interpretation.

The Board's 2008 Due Process manual stated that approval by nine of the members is required. Chairman On July 1, 2011, Hans Hostellers succeeded David Tweeted as Chairman. David Tweeted had served as the Board's Chairman since its creation in 2001. Due process The SAAB Handbook describes the consultative arrangements of the SAAB. The Board also publishes a brief guide on how standards are developed. Funding The FIRS Foundation raises funds for the operation of the SAAB. Most contributors are <https://assignbuster.com/international-financial-accounting-standards/>

banks and other companies which use or have an interest in promoting international standards.

In 2008, American companies gave E. Mm, more than those of any other country. However, contributions fell in the wake of the financial crisis of 2007-2010, and a shortfall was reported in 2010. Conclusion For nearly 40 years, the International Accounting Standards Board (SAAB) and its predecessor, the International Accounting Standards Committee (IAC), have been working to develop a set of high-quality, understandable, and enforceable International Financial Reporting Standards (FIRS) to serve equity investors, lenders, creditors, and others in globalized capital markets.

When the SAAB took over from the IAC in 2001, few countries had adopted International Accounting Standards (as FIRS were then called) even for cross-border public sales of securities, let alone for FIRS Foundation, under which the SAAB operates, has been to bring the United States on board. So, where are we today after 10 years of convergence work? Some convergence projects have been completed successfully as envisioned-? aligned principles even if the words differed. Others have been completed with partial success-? some progress toward converged standards, but some differences remain.

And some convergence projects either were discontinued or resulted in different SAAB and FAST standards because, in the end, the two boards just could not agree. Some convergence projects continue to this day, including such major projects as revenue recognition, leases, and financial instruments. As the body tasked with achieving a single set of improved and

globally accepted high quality accounting standards, the FIRC Foundation must remain committed to the long-term goal of the global adoption of Firms as developed by the SAAB, in their entirety and without modification.

Convergence may be an appropriate short-term strategy for a particular jurisdiction and may facilitate adoption over a transitional period.

Convergence, however, is not a substitute for adoption. Adoption mechanisms may differ among countries and may require an appropriate period of time to implement but, whatever the mechanism, it should enable and require relevant entities to state that their financial statements are in full compliance with Firms as issued by the SAAB.