

**REVIEW OF THE GLOBAL-IFRS ACCOUNTING  
AND THE RECENT SUSTAINABILITY-DISCLOSURE STANDARDS**

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**Abstract**

IFRS are high-quality standards for uniformly reporting companies' financial information. The standards have become an accounting architecture for reporting of firms' performances across different countries. As a response to the numerous calls for businesses to disclose sustainability-linked information, the recently, the IFRS Foundation established the ISSB an task it with the responsibility to develop a truly baseline of sustainability information to inform investment and economic decisions in global capital markets. This paper is intended to review the IFRS accounting and its recent IFRS sustainability standards. The paper offers that in order for the standard to improve accounting quality and result in economic benefits the standards should support companies in reporting what attracts and support investor decision-making of investors across global markets as well as conduct periodic professional accounting trainings for companies on how to reflects recent modifications and designs on the financial statements. The contributions have important implications for reforms, regulations, and future research. Subsequent studies can use this discussion as a reference basis in related studies.

**Keywords:** IFRS; IFRS Foundation; IFRS Accounting Standards; IFRS sustainability Standards; Financial Reporting

**1. Introduction**

The paper reviews the IFRS accounting and its recent IFRS sustainability standards. The paper details the importance of IFRS, and offer, the first time, a discussion on the suitability of the sustainability financial disclosures. IFRS are developed high-quality standards for uniformly reporting companies' financial information. The regulatory standards have become an accounting architecture for reporting globally competitive high-quality accounting quality and performance of firm across different countries (Tawiah, 2019). Extant literature examines various dimensions of issues linked with IFRS. Tawiah and Boolaky (2020) offer an appraisal of literature related to IFRS in Africa. Many of these studies focus on themes related to the adoption, compliance, implementation and institutionalisation of IFRS as well as the extent of divergence of the IFRS

and the local GAAP before adoption (Florou & Pope, 2012, Florou & Kosi, 2015; Tawiah & Boolaky, 2020).

Because the IASB, the mother body that developed the IFRS, attaches many benefits in accounting quality and economic outcomes to the adoption, some empirical studies have examined whether these gains are realised (Bertrand et al., 2020; Ma et al., 2022). A number of studies recognise the impacts of IFRS on accounting quality, such as value relevance (Black & Maggina, 2016; Bhatia & Mulenga, 2019; Ismail et al., 2013), time-loss recognition (Kabir & Su, 2022; Salah & Abdallah 2019), earnings management (Adedokun et al., 2022; Gbadebo, 2023a) and second equity offering (Opare et al., 2020). Ismail et al. (2013) find that the post IFRS's earnings is associated with higher value relevance. Ma et al. (2022) show that, in Pakistan, banking efficiency is increased due to IFRS-adoption, and that efficiency of foreign banks is less relative to public or private banks. Kabir and Su (2022) demonstrate that IFRS increase deferral of firm's revenue recognition for companies whose income recognition are largely affected by accounting standards. Black and Maggina (2016) report that IFRS was unable to improve financial report effectiveness in Greece. The evidence from these studies remains unclear, with several mixed results.

Regardless, IFRS adoption is associated to some cost, including staff training cost, internal control reorganisation, audit cost, IT restructuring costs (Albu & Albu, 2012; Christensen et al., 2015) as well as attendant opportunity costs due to the substitution of the local GAAP for the IAS international standard (Abdul-Baki, 2018). The degree at which the IFRS affect these earnings quality and associated costs have been associated to depend on the quality of the prevailing rule of law or enforcement mechanisms (Agyei-Boapeah & Machokoto, 2018; Agyei-Boapeah et al., 2020; Cai et al., 2014). Cai et al. (2014) show that IFRS adoption does not have significant effect on earnings manipulation countries whose GAAP's standards exhibit low divergence from IFRS.

Many studies identify potential economic effects, on costs of capital (Bertrand et al., 2020; De-Moura et al., 2020), institutional investments, capital flow and liquidity (Daske et al., 2013; DeFond et al., 2018; Groff & Mörec, 2020), investors protection (De-Moura & Gupta, 2019), economic growth (De George et al., 2016), amongst others. Daske et al. (2013) show that although market liquidity increases upon the introduction of IFRS, it remains unclear whether the adoption was solely for the observed market effects. Houque et al. (2012) clarify that IFRS influence earnings quality based on the nature of the investor protection regime. They note that the mandatory adoption increases accounting quality only when the investor protection regime has tougher protection. Nnadi and Soobaroyen (2015) show that the enhancement of the rule of law and reduction in large scale corruption are amongst factors that drive rise in capital inflow. De-Moura et al. (2020) argue that IFRS adoption reduces equity cost and enhance comparability between IFRS and the GAAP to mitigate information asymmetry in Latin America. DeFond et al. (2018) observe decline in foreign institutional investment amongst companies with late motivations to implement IFRS in China.

The article seeks to review the IFRS framework, the importance and objectives of the standards in the evaluation of the accounting information as well as the development that underpins the standards adoption to becoming a regulatory architecture. The article further discusses the regulatory sustainability reporting standards for sustainability disclosures. The sustainability disclosures are two sets of standards are recently published by the IASB in June 2023. The first refer as the IFRS S1 involves details on the 'General Requirements for Disclosure of Sustainability-related Financial Information' and the second refer as the IFRS S2 relates to sustainability issues on 'Climate-related Disclosures'. In achieving the article's intermediate

objectives, the paper uses an expository approach to detail both standards (i.e., the IFRS accounting and IFRS sustainability).

The paper offers some suggestions for the improvement of the recent and on-going projects on the sustainability standards. The contributions would have important implications for regulation, reforms, compliance and the reliability of the framework to usher economic gains. Subsequent studies can use the theoretical discussion as reference in related studies. The paper can also be used as a reference and compendium for academics and law practitioners. This reminder parts are considered as follows: the second part (Section 2) examines the Contextual Overview of the IFRS, the third part (Section 3) examines the development and countries' adoptions of the IFRS, while the fourth part (Section 4) examine the sustainability-linked disclosures, and the last part (Section 5) offers the conclusions and recommendations.

## **2. Contextual Overview of the IFRS**

IFRS are global accounting standards developed and issued by the IASB and its London-based IFRS Foundation – a not-for-profit organisation (Posner, 2010). The IFRS standards, which system replaced the IAS in 2001, constitute a standardised framework of reporting companies' true performance and position such that the financial statements are comprehensible and comparable across country-boundaries. IFRS harmonise global financial reporting and specify quality criteria needed to guide investment decisions in global capital markets. They are mostly relevant and adopted by companies with publicly listed shares or securities. They provide thematic information how firms maintain specific records and account for cash-flows, expenses, income, investment, and accruals.

The standards also assist for audit, tax and procurement purposes. IFRS are established to ensure a baseline accounting information system easily understood and globally comparable by different stakeholders and parties in the capital market. The standards encourage flexibility in the presentation of companies' accounting reports of their operations, ensuing value for accounting information reported in the global capital markets. IFRS improves the effectiveness of financial statements by enhancing their comparability and transparency, in order to protect shareholders, accomplish global financial stability and promote economic growth. They are designed to promote consistency in accounting language, system, practices, and reports. As a result, they assist auditors, businesses, investors, regulators, amongst other, to make informed-financial assessment and decisions.

The experience of notable scandals perpetuated by some corporations in the U.S., which partly triggered the 2008 financial crisis, are amongst factors that caused growing need for a more transparent disclosures and has led to the continuous adoptions of the standards (Adedokun et al., 2022). IFRS Foundation claims the standards would ensure transparency, efficiency and accountability to financial markets around the world. In past two decades of the standards' existence, the IFRS Foundation ensures the international landscape of financial information is transformed through the IFRS Accounting Standards. It has replaced the domestic accounting standards of many countries and become the de facto global framework of financial statements – trusted by investors worldwide continuously adopted global corporations and countries. IFRS is improved and develop regularly, and the IASB has introduced the IFRS Sustainability.

The IFRS has some notable importance. The standards foist and foster transparency on firms that list shares on the global financial markets. The standards ensure that investors trust the financial statements that companies present to them. Such trust allows expansions in the capital market and make the economy robust. IFRS ensure easy fundamental analysis of firm's performance, by making it easy for prospective investors to be able to compare financial

information of different companies. IFRS covers broad range of accounting areas. There are certain aspects of business practice for which the IFRS standard are required, and set as a mandatory rule that involved:

- **Financial position statement:** IFRS redefine the ways in which the balance sheet components (i.e., assets and liability) are reported in the financial period.
- **Comprehensive income statement:** This statement is presented either in form of one report or separated into the profit/loss statement and the report of other income, e.g., property, plant and equipment.
- **Changes in equity statement:** IFRS influence the statement of retained earnings and change in the firms' profit or earnings indicators.
- **Cash flows statement:** This document reports the financial transactions by separating the cash flow into operations, financing and investing.

Public entities in the U.S. environs are required to use the GAAP - a rival system and its standards were issued by the FSAB and the GASB. The U.S. SEC maintains not to switch to the IFRS, although regularly review proposals to permit the IFRS system to complement U.S. financial reporting. There are notable differences between IFRS and GAAP. Each system has different requirement for defining and reporting expenses, revenue and other accounting methodology. First, for expenses reporting, the IFRS use a standards-based approach, thus flexible for use internationally, whereas the GAAP uses a rules-based system, primarily focused on the U.S. Second, for income reporting, the IFRS is not stringent in defining revenue compare to the GAAP. Rather the standards allow public companies to account for revenue sooner. This system might make the balance sheet to identify a higher revenue compare to the GAAP-based report of the same balance sheet information. Thirdly, for the methodological, the GAAP allows either the First in, first out (FIFO) or Last in, first out (LIFO)' inventory cost approaches, whereas, the IFRS completely banned the LIFO method.

### **3. Development and Countries' Adoptions of the IFRS**

The origin of the IFRS standards trace back to the 1960s been the start of the international harmonization of accounting standards. In 1973, sixteen accounting bodies from different countries, including Canada, Australia, Germany, Japan, France, Mexico, U.K., Netherlands and U.S., formed the IASC aimed at issuing the IAS - a worldwide recognised standards. The IASC reinforce to create the IASB, which maintain the obligation to develop the IFRS, as the Primary Basis of Accounting in 2001. The period initiates the first-time use of the IFRS standards [the IFRS 1]. The IFRS gain popularity when in 2002, the E.U. approved that starting from 1 January 2005, the IFRS would apply for the consolidated reporting of listed companies in the region, bringing the introduction of IFRS to many large entities. By June 2003, the IASB restructured and amend the contents of IFRS 1, accommodating the first-time adoption requirements, following which the adoption of IFRS was recommended to substitute the SIC-8. In January 2005, the EU requires that firms listed member countries to adopt and comply with the IFRS standard to consolidate their report. The EU adopt the IFRS with intent to make their business and accounting information accessible across continent.

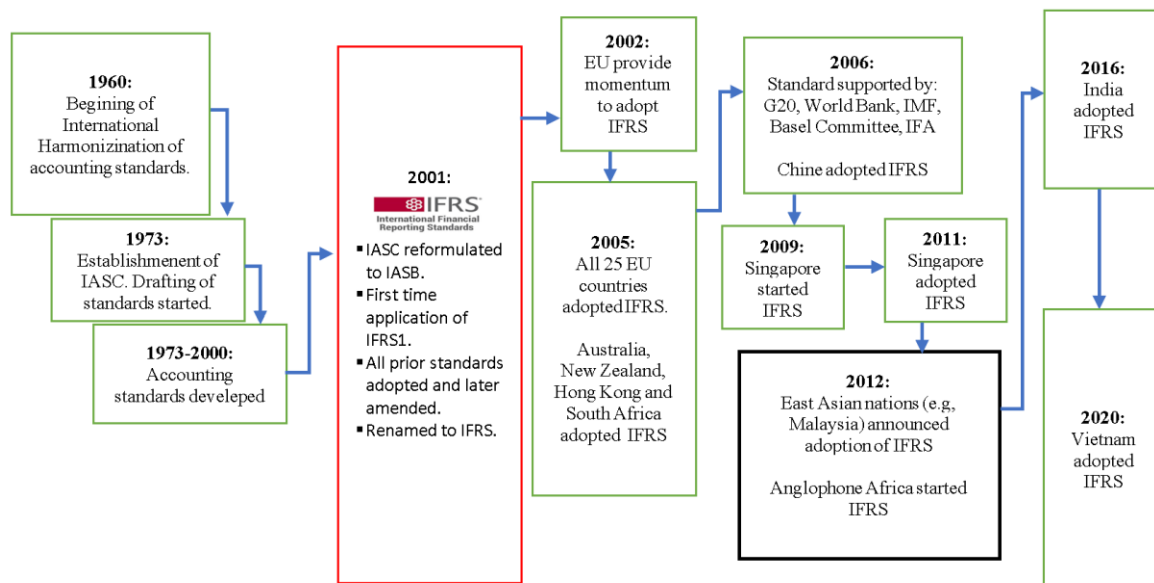
After the EU, many countries have continued to adopt the standards. Countries adoptions of the standards differ in some respects due to domestic modification by taking into account specific country characteristics, such as cultural and demography structures, political system, legal framework, and government support, amongst others (Judge et al., 2010; Ramanna & Sletton, 2010). These factors have continued to play important roles even on the compliance and the effectiveness use of the standard many countries. Countries' implementations of IFRS regulations

are associated impact not only the accounting information system but also the economic conditions. Figure 1 provides the timeliness towards the development of IFRS and adoption.

Today, over one hundred countries, developing and developed countries, have adopted IFRS but have not substituted the separate accounting standards in the U.S. where the U.S-GAAP is still applied. Public entities in the US and China countries environs are required to use the GAAP – the rival system and its standards were issued by the FSAB and the GASB. The U.S. SEC maintains not to switch to the IFRS, although regularly review proposals to permit the IFRS system to complement U.S. financial reporting. However, the IFRS have become a financial architecture and still continues to attract interests from different stakeholders and countries (Ball, 2016). Leuz and Wysocki (2016) note that the global acceptance and adoption of IFRS is considered the greatest accounting change ever. The standard is required by most public firms in 167 jurisdictions. IFRS (2023) reports that 65 percent of IFRS's jurisdictions have converged or adopted the standards, particularly all countries of the EU, and others, including Canada, India, South Korea, Russia, Chile, South Africa, and Nigeria. Based on number of firms, over 25,000 out of 48,000 of listed firms on major stock exchanges have adopted the standard. The makes the standard the most-globally used accounting regulatory standards. Figure 2 provides the IFRS adoptions by countries' region.

Because IFRS was introduced by the developed countries, most earlier adopters are countries that have needed infrastructures, including developed capital markets as well as strong enforcement institutions and strong accounting profession, that aid the adoption and compliance. The infrastructures are lacking in many developing countries, making earlier compliance very low (Tawiah & Boolaky, 2020). The compliance situation has improved particularly for African countries. Infact, aside the Middle east and Europe, Africa is the most populated IFRS continent with the IFRS adoption among the OHADA countries in 2019 (Tawiah & Boolaky, 2020). Some African countries, including Lesotho, Zambia and Zimbabwe, adopted the Standard immediately the start of formal reporting in their respective countries (Chamisa, 2000). South Africa adopted the IFRS in the purest form of adoption as earlier as 2005 (Nobes, 2011). Ghana and Nigeria developed the local GAAP based on IFRS before official adoption in 2007 (Adedokun, 2022). Out of the 38 jurisdictions in Africa, 95 per cent require the standards for complete or most quoted accountable entities. Table 3 summarises the African countries' accounting standard before and after the ROSC.

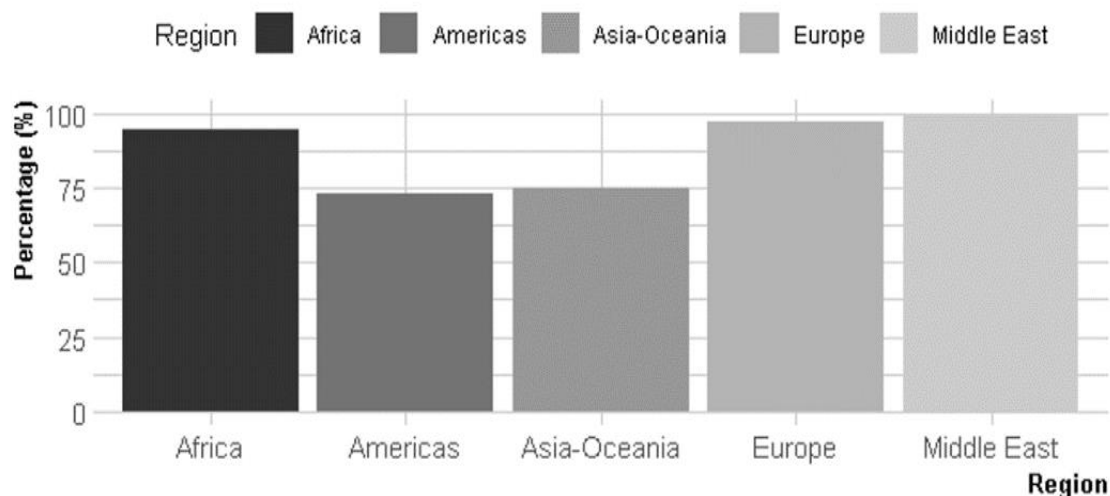
Several complementary standards have been introduced to amendments to IFRS 1. Recently, in 2021 during the occasion of COP26 of the UN's Framework Convention on Climate Change in Glasgow, the IFRS Foundation announced the introduction of the new ISSB. The ISSB was tasked with the responsibility to develop a truly baseline of sustainability information to inform investment and economic decisions in global capital markets. Figure 2 shows the timeliness towards the development of IFRS and different regional adoption. Table 1 represents the list of the IFRSs, from according to the IFRS Foundation and Table 2 give of the official interpretations, from IFRICs and SICs.



**Figure 1:** Timeliness towards the development of IFRS and adoption.

**Note:** The origin towards a unified accounting system traced back to the 1960s. For IFRS, the adoption by the EU in 2005 marks its renaissance, and has since seen continuous adoptions and modifications. IFRS is, arguably, the most used standards worldwide.

**Source:** Gbadebo (2023)



**Figure 2:** IFRS Adoption by Region.

**Note:** 65 percent of IFRS's jurisdictions have converged or adopted the standards, particularly all countries of the European Union, and others, including Canada, India, South Korea, Russia, Chile, South Africa, and Nigeria.

**Source:** Gbadebo (2023)

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**Table 1:** List of the IFRSs

No.	Title	Issued	Effective	With- drawn	Super- seded by
IAS 1	Disclosure of Accounting Policies (1975); Presentation of Financial Statements (1997)	1975	1/1/1975		
IAS 2	Valuation and Presentation of Inventories in the Context of the Historical Cost System (1975)	1976	1/1/1976		
IAS 3	Inventories (1993) Consolidated Financial Statements	1976	1/1/1977	1/1/1990	IAS 27 & IAS 28
IAS 4	Depreciation Accounting	1976	1/1/1977	7/1/1999	IAS 36
IAS 5	Information to Be Disclosed in Financial Statements	1976	1/1/1977	7/1/1998	IAS 1
IAS 6	Accounting Responses to Changing Prices	1977	1/1/1978	1/1/1983	IAS 15
IAS 7	Statement of Changes in Financial Position (1977) Cash Flow Statements (1992) Statement of Cash Flows (2007)	1977	1/1/1979		
IAS 8	Unusual and Prior Period Items and Changes in Accounting Policies (1978); Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies (1993) Accounting Policies, Changes in Accounting Estimates and Errors (2003)	1978	1/1/1979		
IAS 9	Accounting for Research and Development Activities	1978	1/1/1980	7/1/1999	IAS 38
IAS 10	Contingencies and Events Occurring After the Balance Sheet Date (1978); Events After the Balance Sheet Date (1999) Events after the Reporting Period (2007)	1978	1/1/1980		
IAS 11	Accounting for Construction Contracts (1979) Construction Contracts (1993)	1979	1/1/1980		IFRS 15
IAS 12	Accounting for Taxes on Income (1979); Income Taxes (1996)	1979	1/1/1981		
IAS 13	Presentation of Current Assets and Current Liabilities	1979	1/1/1981	7/1/1998	IAS 1
IAS 14	Reporting Financial Information by Segment (1981) Segment reporting (1997)	1981	1/1/1983	1/1/2009	IFRS 8
IAS 15	Information Reflecting the Effects of Changing Prices	1981	1/1/1983	1/1/2005	N/A
IAS 16	Accounting for Property, Plant and Equipment (1982); Property, Plant and Equipment (1993)	1982	1/1/1983		
IAS 17	Accounting for Leases (1982); Leases (1997)	1982	1/1/1984	1/1/2019	IFRS 16
IAS 18	Revenue Recognition (1982); Revenue (1993)	1982	1/1/1984	1/1/2018	IFRS 15
IAS 19	Accounting for Retirement Benefits in Financial Statements of Employers (1983); Retirement Benefit Costs (1993); Employee Benefits (1998)	1983	1/1/1985		
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1983	1/1/1984		
IAS 21	Accounting for the Effects of Changes in Foreign Exchange Rates (1983); The Effects of Changes in Foreign Exchange Rates (1993)	1983	1/1/1985		
IAS 22	Accounting for Business Combinations (1983) Business Combinations (1993)	1983	1/1/1985	4/1/2004	IFRS 3
IAS 23	Capitalisation of Borrowing Costs (1984); Borrowing Costs (1993)	1984	1/1/1986		
IAS 24	Related Party Disclosures	1984	1/1/1986		
IAS 25	Accounting for Investments	1986	1/1/1987	1/1/2001	IAS 39 & IAS 40
IAS 26	Accounting and Reporting by Retirement Benefit Plans	1987	1/1/1988		

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**Table 1:** List of the IFRSs (continues...)

No.	Title	Issued	Effective	Withdrawn	Superseded by
IAS 27	Consolidated Financial Statements and Accounting for Investments in Subsidiaries (1989); Consolidated and Separate Financial Statements (2003); Separate Financial Statements (2011)	1989	1/1/1990		
IAS 28	Accounting for Investments in Associates (1989); Investments in Associates & Associates (2003); Investments in Associates and Joint Ventures (2011)	1989	1/1/1990		
IAS 29	Financial Reporting in Hyperinflationary Economies	1989	1/1/1990		
IAS 30	Disclosures in the Financial Statements of Banks and Similar Financial Institutions	1990	1/1/1991	1/1/2007	IFRS 7
IAS 31	Financial Reporting of Interests in Joint Ventures (1990); Interests in Joint Ventures (2003)	1990	1/1/1992	1/1/2013	IFRS 11 & IFRS 12
IAS 32	Financial Instruments: Disclosure and Presentation (1995); Financial Instruments: Presentation (2005)	1995	1/1/1996		
IAS 33	Earnings per Share	1997	1/1/1999		
IAS 34	Interim Financial Reporting	1998	1/1/1999		
IAS 35	Discontinuing Operations	1998	7/1/1999	1/1/2005	IFRS 5
IAS 36	Impairment of Assets	1998	7/1/1999		
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	1998	7/1/1999		
IAS 38	Intangible Assets	1998	7/1/1999		
IAS 39	Financial Instruments: Recognition and Measurement	1998	1/1/2001	1/1/2018	IFRS 9
IAS 40	Investment Property	2000	1/1/2001		
IAS 41	Agriculture	2000	1/1/2003		
IFRS 1	First-time Adoption of International Financial Reporting Standards	2003	1/1/2004		
IFRS 2	Share-based Payment	2004	1/1/2005		
IFRS 3	Business Combinations	2004	4/1/2004		
IFRS 4	Insurance Contracts	2004	1/1/2005	1/1/2021	IFRS 17
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	2004	1/1/2005		
IFRS 6	Exploration for and Evaluation of Mineral Resources	2004	1/1/2006		
IFRS 7	Financial Instruments: Disclosures	2005	1/1/2007		
IFRS 8	Operating Segments	2006	1/1/2009		
IFRS 9	Financial Instruments	2009*	1/1/2018		
IFRS 10	Consolidated Financial Statements	2011	1/1/2013		
IFRS 11	Joint Arrangements	2011	1/1/2013		
IFRS 12	Disclosure of Interests in Other Entities	2011	1/1/2013		
IFRS 13	Fair Value Measurement	2011	1/1/2013		
IFRS 14	Regulatory Deferral Accounts	2014	1/1/2016		
IFRS 15	Revenue from Contracts with Customers	2014	1/1/2018		
IFRS 16	Leases	2016	1/1/2019		
IFRS 17	Insurance contracts	2017	1/1/2023		

**Note:** The table contains standards framed or adopted by the IASB - the Standard-setting body of the IFRS Foundation. The IASB adopted the IASs developed by IASC. The list involves all the IFRSs' Standards, including those already suspended. The IASs are the older standards now replaced by the IFRS since 2001.

**Source:** IFRS Foundation



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**Table 2:** List of the official interpretations

No.	Title	Issued	Effective	Withdrawn	Super- seded by
SIC 1	Consistency - Different Cost Formulas for Inventories	1997	1/1/1999	1/1/2005	IAS 2
SIC 2	Consistency - Capitalisation of Borrowing Costs	1997	1/1/1998	1/1/2005	IAS 8
SIC 3	Elimination of Unrealised Profits and Losses on Transactions with Associates	1997	1/1/1998	1/1/2005	IAS 28
SIC 5	Classification of Financial Instruments - Contingent Settlement Provisions	1997	6/1/1998	1/1/2005	IAS 32
SIC 6	Costs of Modifying Existing Software	1997	6/1/1998	1/1/2005	IAS 16
SIC 7	Introduction of the Euro	1997	6/1/1998		
SIC 8	First-Time Application of IASs as the Primary Basis of Accounting	1998	8/1/1998	1/1/2004	IFRS 1
SIC 9	Business Combinations - Classification either as Acquisitions or Unitings of Interests	1998	8/1/1998	4/1/2004	IFRS 3
SIC 10	Government Assistance-No Specific Relation to Operating Activities	1998	8/1/1998		
SIC 11	Foreign Exchange - Capitalisation of Losses Resulting from Severe Currency Devaluations	1998	8/1/1998	1/1/2005	IAS 21
SIC 12	Consolidation-Special Purpose Entities	1998	7/1/1999	1/1/2013	IFRS 10
SIC 13	Jointly Controlled Entities-Non-Monetary Contributions by Venturers	1998	1/1/1999	1/1/2013	IFRS 10
SIC 14	Property, Plant and Equipment - Compensation for the Impairment or Loss of Items	1998	7/1/1999	1/1/2005	IAS 16
SIC 15	Operating Leases-Incentives	1998	1/1/1999		
SIC 16	Share Capital - Reacquired Own Equity Instruments (Treasury Shares)	1998	7/1/1999	1/1/2005	IAS 32
SIC 17	Equity - Costs of an Equity Transaction	1999	1/30/2000	1/1/2005	IAS 32
SIC 18	Consistency - Alternative Methods	1999	7/1/2000	1/1/2005	IAS 8
SIC 19	Reporting Currency - Measurement and Presentation of Financial Statements under IAS 21 and IAS 29	2000	1/1/2001	1/1/2005	IAS 21
SIC 20	Equity Accounting Method - Recognition of Losses	1999	7/15/2000	1/1/2005	IAS 28
SIC 21	Income Taxes-Recovery of Revalued Non-Depreciable Assets	1999	7/15/2000	1/1/2012	IAS 12
SIC 22	Business Combinations - Subsequent Adjustment of Fair Values and Goodwill Initially Reported	1999	7/15/2000	4/1/2004	IFRS 3
SIC 23	Property, Plant and Equipment - Major Inspection or Overhaul Costs	1999	7/15/2000	1/1/2005	IAS 16
SIC 24	Earnings Per Share - Financial instruments and other contracts that may be settled in shares	2000	12/1/2000	1/1/2005	IAS 33
SIC 25	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders	1999	7/15/2000		

**Note:** Table 2 contains all the official interpretations framed by IFRIC, and adopted by the IASB. The list involves all IFRICs' Interpretations, including those already suspended.

**Source:** IFRS Foundation

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**Table 2:** List of the official interpretations (continues...)

No.	Title	Issued	Effective	Withdrawn	Super- seded by
SIC 26	Draft only - not issued: Property, Plant and Equipment – Results of Incidental Operations	N/A	N/A	N/A	IAS 16
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2000	1/1/2002		
SIC 28	Business Combinations - 'Date of Exchange' and Fair Value of Equity Instruments	2001	12/31/2001	4/1/2004	IFRS 3
SIC 29	Disclosure-Service Concession Arrangements	2001	1/1/2002		
SIC 30	Reporting Currency - Translation from Measurement Currency to Presentation Currency	2001	1/1/2002	1/1/2005	IAS 21
SIC 31	Revenue-Barter Transactions Involving Advertising Services	2001	1/1/2002		
SIC 32	Intangible Assets-Web Site Costs	2001	3/25/2002		
SIC 33	Consolidation and equity method - Potential voting rights and allocation of ownership interests	2001	1/1/2002	1/1/2005	IAS 27 & IAS 28
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2004	9/1/2004		
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments	2004	1/1/2005		
IFRIC 3	Emission Rights	2004	3/1/2005	7/1/2005	N/A
IFRIC 4	Determining whether an Arrangement contains a Lease	2004	1/1/2006		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2004	1/1/2006		
IFRIC 6	Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment	2005	12/1/2005		
IFRIC 7	Approach under IAS 29 Financial Reporting in Hyperinflationary Economies	2005	3/1/2006		
IFRIC 8	Scope of IFRS 2	2006	5/1/2006	1/1/2010	IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives	2006	6/1/2006		
IFRIC 10	Interim Financial Reporting and Impairment	2006	11/1/2006		
IFRIC 11	IFRS 2-Group and Treasury Share Transactions	2006	3/1/2007	1/1/2010	IFRS 2
IFRIC 12	Service Concession Arrangements	2006	1/1/2008		
IFRIC 13	Customer Loyalty Programmes	2007	7/1/2008		
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2007	1/1/2008		
IFRIC 15	Agreements for the Construction of Real Estate	2008	1/1/2009		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	2008	10/1/2008		
IFRIC 17	Distributions of Non-cash Assets	2008	7/1/2009		
IFRIC 18	Transfers of Assets from Customers	2009	7/1/2009		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	2009	7/1/2010		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	2011	1/1/2013		
IFRIC 21	Levies	2013	1/1/2014		
IFRIC 22	Foreign Currency Transactions and Advance Considerations	2016	1/1/2018		
IFRIC 23	Uncertainty over Income Tax Treatments	2017	1/1/2019		

**Note:** Table 2 (continuation) contains all the official interpretations framed by IFRIC, and adopted by the IASB. The list involves all IFRICs' Interpretations, including those already suspended.

**Source:** IFRS Foundation

Table 3: Accounting standard before and after the ROSC in African

Country	Year of ROSC	Before ROSC	Current standard
Benin	2009	SYSCOHADA	SYSCOHADA
Botswana	2006	IFRS	IFRS 2003
Burkina Faso	2010	SYSCOHADA	SYSCOHADA
Burundi	2007/2014	Chart of accountants	Chart of accountants
Chad	2014	SYSCOHADA	SYSCOHADA
Congo Republic	2010	SYSCOHADA	SYSCOHADA
CÔTE D'IVOIRE	2009	SYSCOHADA	SYSCOHADA
DR Congo	2009	PCGC)	PCGC)
Egypt	2002	EAS	EAS
Ethiopia	2007	NSS	NSS
Gabon	2011	SYSCOHADA	SYSCOHADA
The Gambia	2010	NSS	IFRS 2015
Ghana	2004	GNAS	IFRS 2007
Kenya	2010	IFRS	IFRS 1999
Lesotho	2012	IFRS	IFRS 2001
Liberia	2011	NSS	IFRS 2013
Malawi	2007	IFRS	IFRS 2001
Mali	2009	SYSCOHADA	SYSCOHADA
Mauritania	2013	PCM	PCM
Mauritius	2003	2003 IFRS	IFRS 2001
Mozambique	2008	IFRS	IFRS 2007
Niger	2009	SYSCOHADA	SYSCOHADA
Nigeria	2004/2011	NSA	IFRS 2012
Rwanda	2008	IFRS	IFRS 2005
South Africa	2003/2013	National Standards	IFRS 2005
Swaziland	2012	IFRS	IFRS 2005
Tanzania	2005	IFRS	IFRS 2004
Uganda	2005/2014	2005/2014 IFRS	IFRS 1198
Zambia	2007	IFRS	IFRS 2005
Zimbabwe	2011	IFRS	IFRS 1993

#### 4. Sustainability-Linked Disclosures

Responding to the need for disclosures on sustainability-linked information, in November 2021, the IFRS Foundation established the ISSB - as a sister board to the IASB. The ISSB is levelled with the responsibility to develop a truly global baseline of sustainability information to inform investment and economic decisions. The ISSB foundational standards - IFRS S1 and IFRS S2 – are eventually issued on June 2023. These standards initiate a new regime on sustainability-related disclosures in global capital markets. There are growing demands, indicated by market participants, for corporations to report high-quality, transparent, globally comparable accounting information on sustainability-linked risks and opportunities. The sustainability-related requirements and standards are introduced because sustainability issues are now been considered by both investors and companies in making educated decisions (IFRS Foundation, 2023). Most companies are increasingly engaging with investors about efforts to mainstream climate action and sustainability through their operations (Park, 2023). This has led to strong desire to address the landscape of voluntary, sustainability-disclosure standards that add complexity, cost and risk to stakeholders.

The sustainability-disclosure standards build on the reports of the market-led investor-aimed initiatives, including the CDSB, TCFD, WEF's stakeholder capitalism metrics and the industry-built SASB standards. The development is backed by international bodies, including G7,

G20, IOSCO, FSB as well as countries' regulators, such as Finance Ministers and the Central Bank Governors from over 40 jurisdictions. ISSB aims to deliver standards that are decision-useful, cost-effective and market-informed. ISSB notes four inaugural objectives of the sustainability-linked standards:

1. to develop the IFRS standards as a baseline and reference for sustainability disclosures;
2. to provide a broader information needs of global investors;
3. to enable entities to release sustainability information to global capital markets;
4. to ensure interoperability with jurisdiction-specific disclosures to broader stakeholders.

## **5. Conclusions**

IFRS are high-quality standards for reporting companies' financial information. The standards are introduced because of the mounting requests for a more transparent, reliable and comparable accounting information system. For decade, the adoption of the regulatory framework has become an accounting architecture for different countries. The IASB, developer of the standards, claims the adoption of IFRS will bring improvement in accounting quality and other economic benefits. Consequently, many studies on the regulation are mainly conducted to empirically either show the impact on accounting quality or whether supposed economic gains are realised (Bertrand et al., 2020; Ma et al., 2022). This paper completes a paradigm shift to review the IFRS accounting standards, focusing on its importance, objectives, development and global adoptions. In addition, the paper, present a discussion on the recently inaugurated IFRS sustainability standards.

Amongst others, the study presents that since inception, the IFRS accounting has foisted transparency on firms listed on the global financial markets. They guarantee investors on the content of the financial statements of the companies, therefore accommodating possible expansions in capital markets and economies. Although a number of insurmountable criticisms has been made against the standards, such as the expensive cost for companies to migrate the local GAAP to IFRS compliance; the independence of IASB, e.g., its reliance on large accounting firms for funding; create accounting volatility that does not replicate economic reality; the unsuccessful convergence of IFRS with US-GAAP in some areas; and lastly, that IFRS coverage is not comprehensive enough; prohibition of the LIFO under IFRS, which remains a commonplace practice amongst many companies and firms, particularly for the valuation of inventory in the US (SEC, 2012). These loopholes, has made it practically difficult for countries, such as US and China, to consider the use of the IFRS framework.

However, the potential in creating increase in accounting quality, such as making earnings more value relevance and reduced earnings management (Adedokun et al., 2022; Gbadebo, 2023a; Kabir & Su, 2022) as well as some economic gains such as institutional investments, capital flow and economic growth far out weight these criticisms (Bertrand et al., 2020; Groff & Mörec, 2020). Hence, IFRS can be adjudged to be generalised fair value, reflecting the true global financial value of the company; give prominence to more economic reality; allows directors discretions in compilation of the financial statements; and reflect actual business model and replicates economic reality.

To facilitate potential knowledge gap, and ensures that the standards results in high accounting quality and economic benefits, the paper recommends that (b) the standards should support companies in understanding and reporting what attracts and support investor decision-making of investors across global markets; IFRS Foundation should conduct professional accounting trainings for companies on how to reflects recent modifications on the financial statements; the standards are upgraded to rightly deliver the real financial information that would

facilitate global comparability and attract capital; the redesigning of the standard must be done putting efficiency in mind.

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## Appendix

Table A: Lists of Acronyms

Acronyms	Full meaning
CDSB	Climate Disclosure Standards Board
E.U.	European Union
FSAB	Financial Standards Accounting Board
FSB	Financial Stability Board
GAAP	Generally Accepted Accounting Practices
GASB	Governmental Accounting Standards Board
IAS	International Accounting Standards
IAS	International Accounting Standard
IASB	International Accounting Standard Board
IASC	International Accounting Standards Committee
IFRICs	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IOSCO	International Organization of Securities Commissions
ISSB	International Sustainability Standards Board
OHADA	Organisation pour l'Harmonisation en Afrique du Droit des Affaires
ROSC	Report on the Observance of Standards and Codes
SEC	Securities and Exchange Commission
SIC	Standard Interpretations Committee
TCFD	Task Force for Climate-related Financial Disclosures
U.K.	United Kingdom
U.S.	United States
UN	United Nations
WEF	World Economic Forum