
THE ROLE OF THE INTERNATIONAL ACCOUNTING STANDARDS BOARD IN LEADING FINANCIAL ACCOUNTING: AN ANALYTICAL STUDY

Ass. Prof. Dr. Muna Kamel Hamad

Accounting and Financial Control Department,

College of Business Economics, AL Nahrain University

dr.muna@nahrainuniv.edu.iq

Abstract

The intention of this study was to describe the growth of the leading role of the International Accounting Standards Board (IASB) in financial accounting by framing its scope in scientific and practical terms. The aim was pursued with regard to historical development for the (IASB) that led to its establishment in 1973 and its management of the theoretical aspect of accounting against the backdrop of intellectual thought in accounting with respect to the framework setup by the American Accounting Standards Board (AASB). In addition, the Board's management of the practical aspect of financial accounting through the trends and advances in the (IAS) that would influence the preparation of business statements to the year 2024 was traced. To carry out its work, the study adopted a comparative analytical technique. The study, however, arrived at sound conclusions, perhaps the most outstanding one being that, the International accounting harmonization is one tool of integration into the global economy, so there has been a global trend toward the existence of international accounting standards as a common cross-border business language that helps drive the global economy, International accounting and financial reporting standards are subject to periodic updates by the (IASB) in response to changes in the economic environment, such as changes in business models or the emergence of new financial instruments. Thus, the Board plays a leading role in enhancing the integration between theory and application, as it combines advanced accounting theories and practical practices to meet the needs of global financial markets.

Keywords: International Accounting Standards Board, Theoretical Framework of Financial Accounting, Practical Framework of Financial Accounting.

Introduction

The realm of accounting has evolved through fast and significant changes affecting the world economy, and in turn, these have had a great impact on accounting education and professional practice. The style of delivery and the content that constitute medical and practical aspects of financial accounting have been influenced by American and British universities in both developed and developing countries. Numerous international, national, and local professional organizations have contributed to the design and practical aspects of financial accounting. Key associations include, among others, the American Accounting Association (AAA) and the Financial Accounting Standards Board (FASB). Eventually, this resulted in the formation

of the International Accounting Standards Committee (IASC), made up of nations from across Europe, Australia, and North America, which later presented proposals for a more collaborative government under the section of the International Accounting Standards Board (IASB). The IASC was established so it could later aid in the development of international accounting standards. The Board became an imposing entity when issued international accounting standards recognized by the International Accounting Standards Committee. With respect to that major decision, the Board is presently (continuing with the issuance and review of international standards) concerned with developing the frame of guidelines intended to regularly incorporate the publication of a final general-purpose financial statement into the appropriate accounting set or equivalent financial area. In this regard, the Board has disposed of amending the already existing framework as per the increasing role which is being undertaken by the economic accounting and thus having been fulfilled with defined economic knowledge for making other decisions.

Research Methodology:

Research Problem

International Accounting Standards Board positions its crucial aim to be the one-set of accounting standards worldwide. Accordingly, the board collaborates closely with clientele worldwide, from professional bodies to these general neighborhood setters. Those efforts resulted in a memorandum of understandings in 2006, which is aimed at devising ways for implementing improved standards on accounting and reaching a significant convergence between international standards for financial reporting and generally accepted American accounting principles. Hence the research problem may be crystallized into this question: Does International Accounting Standards Board have a role in developing the scientific and practical framework of financial accounting so as to make global markets more efficient and facilitate better financial decisions?

Research aims

This research intends to accomplish

1. Historical tracking of the International Accounting Standards Board from 1973 to 2020
2. Clarifying the pioneering role of the International Accounting Standards Board in developing the scientific framework for financial accounting by tracking developments in the conceptual framework for preparing and presenting financial statements.
3. The researchers hope to clarify the way in which the International Accounting Standards Board contributed to create the practical framework for financial accounting by tracing the developments of international accounting standards.

Research hypothesis

The studies are primarily based on the essential speculation that the International Accounting Standards Board is pioneering the development of a systematic and realistic framework for financial accounting.

The importance of the research

The contribution of the research being done is, therefore, widely recognized because it indicated the global pioneering role of the Financial Accounting Standards Board in achieving a single set of good international accounting standards. It embodies this role by shadowing the more important decisions made by the Board at the theoretical and practical stages of financial accounting in monitoring the work of the Board in this area and juxtaposing it against the conceptual framework and general standards for accounting issued by the American Accounting Standards Board.

The historical foundation of the International Accounting Standards Board

After World War II, every country had its own generally accepted accounting principles (GAAP) or accounting practices. While recognizing the significant differences among the big superior countries with active capital markets (the USA, Canada, the UK, Australia, and New Zealand), which is particularly due to the balancing effects of the SEC (Zeff 2007), and France, Belgium, Spain, Portugal, Morocco, Tunisia, Algeria, and Peru (Skinner 1972, 79). Most developing countries lacked any significant financial disclosure; moreover, there were no accounting standards available beyond those inherited from their previously colonized mother countries, such as the UK or France-with even greater diversity (Nobes 1983: 9-10). The rapid growth of the international currency exchange and foreign direct investment had begun in the late 1950s, where companies began to stretch their reach beyond their borders. Faced with this inclination, the accounting profession found it necessary to become global. To this end, in September of 1962, the American Institute of Public Accounting (AICPA) convened the Eighth International Congress of Accountants in New York City to discuss the role of accounting and auditing in today's international economy. The first IASB standard on disclosure of accounting policies appeared in January 1975, which caused an international furor. Between 1975 and 1987, the IASB issued 25 other standards, many of them updates replacing earlier standards (CZ: 2007:5). The impact of the IASB varied from one country to another. Some countries have yet to amend their standards in line with the direction of IASB standards. There were two reasons for this behavior. The first could be called disdain from the US, which believed that its standards surpassed the international accounting standards. The rest of the countries delegating to the Council insisted that international accounting standards were incompatible with their tax-based accounting model. Conversely, the Standards Committee of the Canadian Institute of Chartered Accountants (CICA) was the most supporting sponsoring body through the entire 27-year life of the Board, especially with respect to IAS 18 on revenue recognition when surveying its standards.

This belief sprouted in the 1980s, when several groups expressed their influences on the IASB due to their statements being in accordance with IASB standards and, moreover, in view of the consensus by the U.S. and Canadian generally accepted accounting principles (GAAP). This is supported by the initial voluntary compliance and even some additional flexibility indicated by the Board together with the guarantee that no further costs will be incurred if the standards are continued (CZ:2007:500-503). In the 1970s and 1980s, the United Nations and the OECD began taking an interest in financial reporting related to

multinational organizations, which lacked any legitimacy as those were professional accounting industries.

By 1999, membership of international delegations on the Board reached fourteen, with the addition of South Africa, Nigeria, Italy, and Taiwan permanently, thus remaining until the year 2000. This marked an immense increase in the presence of the developing world among the International Membership. This posed additional problems in the context of the English language and corporate merger impacts due to the global financial crisis, together with threats raised by various organizations, such as the United Nations and OECD, which started to be interested in financial reporting by multinational organizations. This raised again the questions of legitimacy and accountability of the IASB's actions as an accounting profession organization. Beginning in 1996, the International Organization of Securities Commissions has sent an observer delegation to Board meetings-most commonly at least one SEC staff-member. The following year, an observer delegation, dispatched by the Chinese Chartered Institute, brought its experts to Board meetings (CZ:2007: 228-230). With continued support from IOSCO, the governing board of the IASB gradually took on a more legitimized stance. During this time period through 1996, Korea, Jordan, Nigeria, and Taiwan took turns conducting Board meetings. Delegations from the Nordic Union of Public Accountants from India (later together with Sri Lanka), Malaysia, and Swiss Industrial Holding Company, as well as a delegation of Financial Controllers followed the delegations from Italy, Jordan, and Korea, and all stayed on the Board until 2000 (CZ: 2010: 220-225, 506-512). Taking into account the above, the Board convened around a significantly larger table, over forty-five members, staff members, and other observers, totaling between 60 and 70 (Kirsch: 2006, 370) due to the need to deal with the discussion of disagreements about ten newly drafted and revised standards being submitted to IOSCO. (Kirsch: 2006, 370)

International Financial Reporting Interpretations Committee (IFRIC)

The IFRIC is affiliated with the IASB to help in the development and improvement of standards for use to users, monetary statements, and auditors. This committee was formed in March 2002 to replace the Standing Interpretations Committee formed in 1996. Its remit is to give effective guidance on monetary reporting issues that are newly identified and not specifically addressed in the International Financial Reporting Standards or in relation to any issue raised or likely to arise. (Iatridis: 2012:77) The committee also aids the IASB in accomplishing global uniformity of accounting standards. The IASB itself has taken the following steps. (IASB: 2007, 2008, 2000, 2010)

- 1- The committee adopts global accounting requirements, considering monetary problems that have results that are not usually addressed in the International Accounting Standards for Financial Reporting.
- 2—Coordinating the united States's nearby and financial accounting requirements and correctly placing requirements at the united states of America degree for our our bodies consistent with the exceptional countrywide accounting requirements global, i.e., accomplishing harmony between the country's neighborhood and worldwide requirements.
- 3- Prepare explanatory notes for international accounting standards, try to deliver them to all member states, and address public comments before finalizing them.

4—The International Accounting Standards Board submits reports, and proof for the rest of the interpretations is obtained. In general, the interpretations of the International Financial Reporting Interpretations Committee are developed through global procedures that include accountants, economic analysts of financial statements and the stock market, regulatory bodies, academics, and companies worldwide.

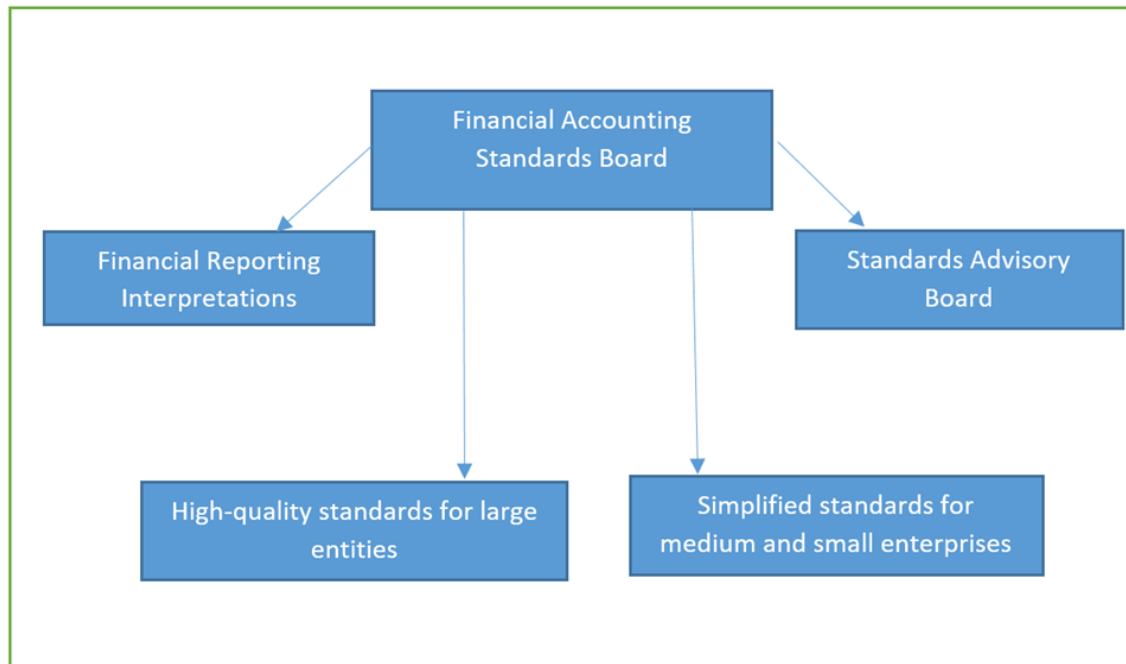


Figure (1) Structure of the Financial Accounting Standards Board

Source: Prepared by the researcher

Similarities and differences between the Financial Accounting Standards Board (GAAP) and the International Accounting Standards Board (IASB)

Both the IASB and GAAP share some grounds in the following aspects: (Lemus , 2014)

- U.S. GAAP have been established by the Financial Accounting Standards Board (FASB). The FASB is a private business establishment, while the IASB represents a non-public corporation.
- The supervision of the actions of the FASB is vested in the United States Securities and Exchange Commission. The supervision of the actions of the IASB is controlled through the International Organization of Financial Supervisory Authorities.
- Staffing arrangements in the IASB and the FASB are essentially the same, i.e., an oversight agency, board of directors, advisory board, and an interpretation committee, plus the fact that the general public agency which serves the public interest is a part of the governance structure.
- The FASB is regarded at bringing up-to-date and implementing its requirements with help from the United States Securities and Exchange Commission. Primarily, it seeks the assistance of the International Organization of Financial Supervisory Authorities for establishing and enforcing its standards. The IASB and FASB continue to work to find common ground where applicable. There are differences between the two boards. U.S.

GAAP is distinctively rule-oriented; thus, is far more prescriptive compared with IFRS, which is more principles-based and adaptable in both accounting and disclosure requirements. This difference in principle provoked debates concerning the advantages of the principles' versus rules' based standards. Differences would be quite normal between U.S. GAAP and IFRS, with regard to the fact that standards developed in response to their own user needs. In some countries, such needs are addressed to the fiscal entity. In others, the main users of the financial information are private-sector investors. In the US, accounting standards have been formulated by using investors and creditors.

The pioneering role of the International Accounting Standards Board in developing the scientific and practical framework for financial accounting

First: The pioneering role of the International Accounting Standards Board in developing the scientific framework for financial accounting

The conceptual framework represents the medical framework for economic accounting, and lots of groups have evolved and posted their conceptual frameworks through the years. Still, no specific framework has been universally frequent or agreed upon. In 1976, the Financial Accounting Standards Board began growing a conceptual framework to offer a basis for determining accounting policies and resolving disputes related to economic reporting. Since that date, the Financial Accounting Standards Board has issued seven statements that include financial accounting concepts related to the monetary reporting of for-income groups, as follows: (Lutfi, 2005), ((Al-Turfi, 2017

1. (SFAC No. (1, "Objectives of Financial Reporting Issued by For-Profit Entities," presents the objectives and purposes of accounting.
- 2.) SFAC No. (2, "Qualitative Characteristics of Accounting Information," examines the traits that make the disclosed treasured records for decision-making.
3. (SFAC No. (3, "Elements of Financial Statements of Purpose-Businesses") defines elements in monetary statements, including sales, prices, property, and liabilities.
4. SFAC No. (5) "Recognition and Measurement inside the Financial Statements of Business Entities" are crucial recognition and measurement criteria and guidance on what records must be formally integrated into economic statements.
5. SFAC No. (6), "Elements of Financial Statements," replaced SFAC No. (3) and expanded its scope to consist of non-profit organizations.
6. SFAC Standard No. (7) "Use of Cash Flow and Present Value Information in Accounting Measurements" offers a framework for using gift values and predicted destiny coins flow as a foundation for measurement.

Figure (2) shows the conceptual framework issued by the US Financial Accounting Standards Board.

Financial Statements				
statement of cash flows	statement of changes in equity	income statement	the statement of financial position	
Recognition and measurement concepts				
Assumptions	Principles		Constraints	
Economic Unit	Historical Cost		Benefit/Cost	
Continuity	Revenue Recognition		Relative Importance	
Monetary Unit	Matching		Conservatism	
periodically	Full Disclosure			
Primary Characteristics		Secondary Characteristics		Financial statement elements
Relevance	Reliability	Comparability	Assets	Comprehensive Income
Predictive value	Verifiability		Liabilities	Revenues
Retrieval value	Honesty in presentation	Constancy	Equity	Expenses
Timeliness	Neutrality		Owners Investments	Gains
			Distributions to Owners	Losses
Objectives: To provide information				
Providing information about project resources, rights over them, and changes in them		Helpful in estimating future cash flows		Helpful in investment and credit decisions

Figure (2) The conceptual framework issued by the US Financial Accounting Standards Board.

Source: Prepared by the researcher

In 1989, the International Accounting Standards Committee published a conceptual framework; it was amended in 2001 by IASB. The framework had been amended in 2010 when the old Conceptual Framework was undergoing a restatement. In March 2018, a revised version of the Conceptual Framework was published as a final form of amendments. The revised conceptual framework made comprehensive changes to the prior 1989 version that had been amended in 2010. The amendments to the Conceptual Framework, as attempted by IASB, was intended to enhance the presence of high-level concepts in enough detail, with a view to assisting the Board in developing accounting standards, and assisting interested parties in interpreting the standards. The international conceptual framework is shown in Fig. 3.

Figure (3) The international conceptual framework

Basic Objective				
To provide pertinent financial information about the reporting entity for present and potential equity investors, lenders, and other creditors in making decisions-hence the name-external reporting .				
Elements of Financial Statements				
Asset	Liability	Equity	Income	Expenses
Qualitative characteristics\				
Fundamental Quality			Enhancing Qualities	
Relevance		Faithful representation		understandability
predictive value		Complete		verifiability
confirmatory value		Neutral		comparability
Materiality		free of material error		timeliness
Measurement, Recognition, and Disclosure Concepts				
Assumptions		Basic Principles of Accounting		Constraint
economic entity		measurement		Cost Constraint
going concern		revenue recognition		
monetary unit		expense recognition		
Periodicity		full disclosure		
Accrual basis.				
financial statements				
the statement of financial position	income statement (or statement of comprehensive income)		statement of cash flows	statement of changes in equity

Source :Prepared by the researcher

The following is evident from the above figures:

- 1- The goal of the American model is accounting in general, so it focuses on providing information about the financial position, financial performance, and changes in the financial position. The goal of the international model is the financial statements and their usefulness for decision-making, as they focus on providing information about the economic unit that is useful to current and potential investors, creditors, and lenders to capital providers.
- 2—The international model shortened the elements of the financial statements to five, three of which represent the items of the financial position statement (assets, liabilities, equity), and two essential elements describe the items of the income statement (revenues, expenses). At the same time, the American model expanded the items of the financial position statement to include owners' investments and distributions to owners. At the income statement level, it added comprehensive income, gains, and losses.
- 3—The American model's essential qualitative characteristics are relevance and reliability. The international model kept relevance as the first important characteristic, while credibility was replaced by faithful representation.
- 4—The international model excluded the timeliness characteristic from the relevance characteristic's components to be among the secondary (enhancing) characteristics, replacing

the retrieval value with the confirmatory value component. The model kept the predictive value component, and the model added the relative importance as a component of the relevance characteristic.

5- The international model made an apparent change to the characteristic of honest representation, as it excluded the verifiability component from the secondary characteristics. It also excluded the element of truthful representation. It added two new components to the characteristic of honest representation: completeness and freedom from errors. In contrast, neutrality is a common component in American and international models.

6- The international model significantly changed the secondary (enhancing) characteristics of the qualitative characteristics. The American model was limited to comparability and stability, while the international model expanded in this area to include four enhancing characteristics in the conceptual framework: comprehensibility, timeliness, verifiability, and comparability. 7- The international model focuses on understanding the concepts related to assumptions, principles, and restrictions more than focusing on the method of classifying and organizing them, as these concepts are guidelines in responding to issues related to financial reports, and there is no general agreement on their classification system. The international model has identified only one assumption: the assumption of continuity. In contrast, the American model includes the assumption of economic unity, monetary unity, and periodicity, in addition to the assumption of continuity. 8- At the level of accounting principles, the international model has identified two types of measurement bases, including the historical cost basis (which the American model considers a separate principle) and the current cost basis, which includes several measures represented by fair value, value in use, fulfillment value, and current cost. It is worth noting that the International Accounting Standards Board's standards focus widely on using fair value in measurement. 9- The international model maintained the principle of full disclosure and revenue recognition after adding cancellation of recognition while excluding the matching principle.

10—The international model canceled the industry practice restriction and the reservation restriction included in the American model. The relative importance restriction was considered one of the components of the relevance characteristic. The two models share the benefit restriction, called the cost-benefit restriction in the American model.

11—The American and international models share three basic statements: the balance sheet, the equity statement, and the cash flow statement. The income statement in the American model is compared to the financial performance statement in the international model, which includes the profit and loss statement and the other comprehensive income statement. It is worth noting that international standards allow this statement to be separated into two statements: an income statement and a statement of other comprehensive income.

12—The international model considers the notes as components of the financial statements, which include a summary of accounting policies, explanatory information related to the items of the financial statements, and disclosures required by other international financial reporting standards.

Second: The leading role of (IASB) at the practical level of financial accounting

The American Financial Accounting Standards Board (FASB) can issue accounting requirements in the United States of America called Generally Accepted Accounting Principles (GAAP). As for international accounting standards, they may be issued using the International Accounting Standards Board. Both organizations receive extensive support from various parties, most notably the bodies supervising the financial markets and some other institutions such as tax departments, supervisory bodies, and others. The process of issuing standards is carried out through an organized and complex process and by following several steps, with the participation of various parties, under the supervision of the International Accounting Standards Board, to ensure that the issued standards meet the expectations and needs of the accounting profession worldwide. The process begins by identifying accounting issues or problems that require issuing a new standard or updating an existing standard and then conducting studies and collecting the necessary information to understand the issues related to the subject of the standard. Based on this, a standard draft is prepared and presented to the relevant parties to provide comments and suggestions. The Board reviews these comments to make any necessary amendments to the draft and then moves on to issuing the standard in its final form. International accounting standards are continuously updated due to emerging environmental modifications and a desire to create an excellent work environment. The International Accounting Standards Board has begun issuing International Financial Reporting Standards to differentiate them from preceding global accounting requirements. This change from (IAS) to (IFRS) reflects the choice of the International Accounting Standards Board to expand its regions of hobby so that it isn't always limited to accounting standardization however, alternatively seeks to broaden an unmarried, remarkable set of worldwide requirements which can be comprehensible and comparable to rationalize the economic choices of individuals in worldwide capital markets, stakeholders and different customers. The international standards were issued to profit-oriented economic units, whether organized by a company or any other form. However, the sector or government that practices these activities may find these standards appropriate. Therefore, the International Accounting Standards Board in the public sector works to prepare accounting standards for government units and public sector projects based on the International Financial Reporting Standards. The International Accounting Standards Board and its reporting aim to unify accounting treatments for similar operations, events, and reporting. Similarly, the Council has continuously sought to review the standards issued by it to reduce the alternatives in the accounting treatments permitted by those standards. The International Accounting Standards Board has made many amendments to the International Accounting Standards at one-of-a-kind stages. For the International Accounting Standards Board to ensure that the financial statements prepared for the first time based totally on IFRS, which includes interim statements, contain exquisite facts that achieve transparency for its customers and give comparative records for all periods offered, further supplying a suitable start line for accounting in keeping with IFRS, the Council has issued the International Financial Reporting Standard IFRS (1) to cope with the adoption of International Financial Reporting Standards for the primary time, which became powerful on 1/1/2004. This general has passed through improvements to use the same old after the improvements as of

one/1/2009. The International Financial Reporting Interpretations Committee is responsible for interpreting the international standards issued by the International Accounting Standards Board to provide official guidance on issues that may be subject to different treatments or contrary to the standards in the absence of those interpretations. Interpretations of the standards are developed in international meetings that discuss technical issues in the presence of the parties. Interested from all over the world, Table No. (1) shows the amendments made by the International Accounting Standards Board (IASB) to international standards during 2019-2024.

Table (1) Updates made by the International Accounting Standards Board (IASB) to international accounting standards

Standard number	Stage 1		Stage 2		Stage 3	
	The subject of the standard	Date of issue	The subject of the standard	Date of issue	The subject of the standard	Date of issue
IAS 1	Disclosure of accounting policies	1975	Financial Statements Presentation	1997	<i>It will be withdrawn and replaced by IFRS 18.</i>	2027
IAS 2	Valuation and presentation of inventory in the context of historical cost	1975	Inventory	1993		
IAS 3	Consolidated financial statements	1976	Consolidated Financial Statements The standard's requirements were transferred 1989 to IAS No. (27) and (28).	1990		
IAS 4	Accounting for depreciation	1976	Withdrawn This standard was replaced by Standard (36)	1999		
IAS 5	Information to be disclosed in financial statements	1976	Replaced by IAS No. (1)	1998		
IAS 6	Accounting response to changes in prices	1977	Replaced by IAS No. (15), which was later repealed in 2003.	1983		
IAS 7	Statement of changes in financial position	1977	Cash Flow Statement	1992	Statement of cash flows	2007
IAS 8	Extraordinary and historical 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
IAS 9	Accounting for research and development activities	1978	Replaced by IAS No. (38)	1999		
IAS 10	Emergencies and events occurring after the balance sheet date	1978	Events Occurring after the Balance Sheet Date	1999	Events after the end of the financial period.	2007

IAS 11	Accounting for construction contracts	1979	Construction Contracts	1993	Replaced by Financial Reporting Standard No. (15)	2018
IAS 12	Accounting for income taxes	1979	Income Taxes	1996		
IAS 13	Presentation of current assets and current liabilities	1979	Replaced by IAS No. (1).	1998		
IAS 14	Preparation of financial reports by segment	1981	Segment Reporting	1997	It was withdrawn and replaced by International Financial Reporting Standard No. (8).	2009
IAS 15	Information reflecting the effects of price changes	1981	Withdrawn	2005		
IAS 16	Accounting for property, plant, and equipment	1982	Property, Plant, and Equipment	1993		
IAS 17	Accounting for property, plant, and equipment	1982	Property, Plant, and Equipment	1993	Replaced by Financial Reporting Standard No. (16)	2019
IAS 18	Revenue recognition	1982	Revenue	1993	Replaced by Financial Reporting Standard No. (15)	2018
IAS 19	Accounting for retirement benefits in employers' financial statements	1983	Retirement Benefit Costs	1993	Employee Benefits	1998
IAS 20	Accounting and disclosure of government grants and assistance	1983				
IAS 21	Accounting for the effects of changes in foreign exchange rates	1983	Effects of changes in foreign exchange rates	1993		
IAS 22	Accounting for business combinations	1983	Business combinations	1993	International Financial Reporting Standard No replaced it. (3).	2004
IAS 23	Capitalization of borrowing costs	1984	Borrowing costs	1993		
IAS 24	Disclosures about related parties	1984				
IAS 25	Accounting for investments	1984	International Accounting Standards replaced it No. (39) and (40).	2001		
IAS 26	Accounting and reporting on benefit plans Retirement	1987				
IAS 27	Consolidated financial statements and accounting for investments in subsidiaries	1989	Consolidated and separate financial statements	2003	Separate financial statements	2011
IAS 28	Accounting for investments in associates	1989	Investments in associates and subsidiaries	2003	Investments in associates and joint ventures	2011
IAS 29	Financial reporting in hyperinflationary economies	1989				

IAS 30	Disclosure in banks and similar financial institutions	1990	Superseded by IFRS 7	2007		
IAS 31	Financial reporting of interests in joint ventures	1990	Interests in Joint Ventures	2003	Merged into International Financial Reporting Standards No. (11) and (12).	2011
IAS 32	Financial instruments: disclosure and presentation	1995	Financial Instruments: Presentation	2005		
IAS 33	Earnings per share	1997				
IAS 34	Interim financial reports	1998				
IAS 35	Discontinued operations	1998	Solution of the International Financial Reporting Standard No. (5)	2005		
IAS 36	Impairment of assets	1998				
IAS 37	Provisions, liabilities, and contingent assets	1998				
IAS 38	Intangible assets	1998				
IAS 39	Financial instruments: recognition and measurement	1998	Replaced by International Financial Reporting Standard No. (9)	2018		
IAS 40	Real estate investments	2000				
IAS 41	Agriculture	2003				

Source: Prepared by the researcher based on Hamidat, Juma and Abu Nassar, Muhammad "International Accounting and Financial Reporting Standards - Theoretical and Practical Aspects" 2016, Amman - Jordan

Saudi Organization for Certified Public Accountants COCPA, 2021 <https://socpa.org.sa/>

Table (2) Updates made by the International Accounting Standards Board (IASB) to the International Financial Reporting Standards (IFRS) that were adopted in 2003

Standard number	Stage 1		Stage 2		Stage 3	
	The subject of the standard	Date of issue	The subject of the standard	Date of issue	The subject of the standard	Date of issue
IFRS 1	Adoption of International Financial Reporting Standards for the first time	2003	The standard has been revised.	2007	Superseded by IFRS 18 "Presentation and Disclosure in Financial Statements"	2024
IFRS 2	Share-based payment	2004				
IFRS 3	Business combinations	2004				
IFRS 4	Insurance contracts	2004	International Financial Reporting Standard No	2023		

			replaced it. (17) Insurance Contracts, which focused more on evaluating the financial obligations related to contracts.			
IFRS 5	Non-current assets held for sale and discontinued operations	2004				
IFRS 6	Exploration and evaluation of mineral resources	2004	Some of its parts were deleted and replaced with criteria related to the recognition of intangible assets and productive assets without replacing them with a specific criterion.	2024		
IFRS 7	Financial instruments: disclosure	2005				
IFRS 8	Operating segments	2006				
IFRS 9	Financial instruments	2014				
IFRS10	Consolidated financial statements	2011				
IFRS11	Joint arrangements	2011				
IFRS12	Disclosure of interests in other entities	2011				
IFRS13	Fair value measurement	2011				
IFRS14	Regulatory deferred accounts	2014				
IFRS15	Revenue from contracts with customers	2014				
IFRS16	Leases	2016				
IFRS17	Insurance contracts	2017				
IFRS18	Presentation and disclosure in financial statements	2024				
IFRS19	Subsidiaries not subject to public accountability: disclosures	2024				

The existence of a standard in two time periods does not mean that this standard has not been updated and developed to consider the needs of the business sector and various stakeholders, especially in light of the issuance of continuous updates to a significant percentage of the standards regularly. The Council periodically reviews the standards issued to ensure their suitability to economic, financial, and technological changes. It follows up on applying these standards in various global markets to provide the possibility of implementing them and identifying the problems accompanying the application process. Thus, it can be stated that

the International Accounting Standards Board performs a leading function in enhancing transparency and self-assurance in global economic markets. Table No. (3) indicates the maximum critical updates and upgrades made by using the Council to the requirements issued by it.

Table (3) Amendments to the standards for the last five years, 2019 – 2023

Subject of amendment	Standard Amended	Year
Non-current liabilities subject to commitments: The amendments improve the information an entity provides when its right to defer a liability settlement for at least twelve months is subject to compliance with obligations. The amendments respond to questions from interested parties about whether such liabilities are classified as current or non-current. Lease liability on sale and leaseback: The amendment is to add requirements for subsequent measurement of sale and leaseback transactions	IFRS 1	2023
Definition of accounting estimates	IFRS 16	2022
Disclosure of accounting policies	IAS 8	
Coronavirus-related lease concessions beyond June 30, 2021	IFRS(7),(8) IAS (1),(26),(34) Practice Statement No. (2)	
Deferred taxes on assets and liabilities arising from a single transaction	IFRS 16	
Initial application of IFRS 17 and IFRS 9 Comparative information	IFRS 1, (12) IAS	
Classification of liabilities into current and non-current liabilities	IFRS 17	2021
Annual Improvements to Reporting Standards 2018–2020	IAS (1)	
	IFRS 16	
Annual Improvements to Reporting Standards 2018–2020	IFRS(1),(9) 41) (IAS	
Coronavirus-related lease concessions	IFRS 16	
Conceptual framework reference	IFRS 3	
Loss-bearing contracts - the cost of fulfilling contracts	37) (IAS	
Property, plant, and equipment: returns before intended use	16) (IAS	
Extension of temporary exemption from application of IFRS 9	IFRS 4	
Amendments to IFRS 17	IFRS(3),(7),(9),(17) IAS,(1) ,(32),(36),(38)(12)	
Classification of liabilities into current and non-current - deferral of effective date	1) (IAS	
Reform of the reference measurement of the price Interest - Phase 2,	IFRS(4),(7),(9),(16) IAS,(39)	2020
Interest rate benchmark reform	IFRS (7),(9)) IAS,(39)	
This amendment modifies specific hedge accounting requirements to mitigate the potential impact of uncertainty arising from the reform of benchmark interest rates, such as BORs. The amendments also require an entity to provide additional information to investors about its hedging relationships directly affected by that uncertainty.	IFRS,(9) IAS,(39)	
How entities determine pension expense when there is a change – whether an amendment, reduction, or settlement – to a defined benefit pension plan.	IAS,(9)	2019
This amendment modifies the definition of a business to help entities determine whether transactions should be accounted for as a business combination or an asset acquisition.	IAS,(9)	
Definition of materiality, which led to amendments to several other standards.	IAS,(1),(8)	

Source: Prepared by the researcher based on <https://www.ascajordan.org> ASCA Jordan Talal Abu-Ghazaleh

The (IASB) plays a leading role in developing a single set of (IFRS) that are of high quality, understandable, applicable and globally accepted, and is constantly updating these standards in line with changes in the global economic environment.

Conclusions

1- The generally accepted accounting principles are predominantly local in terms of application, with slight differences in their application according to each state. In contrast, international accounting standards are recognized globally and may be integrated into the generally accepted accounting principles or local accounting standards in many countries.

2—The characteristics of accounting information are the fundamental pillar of the International Accounting Standards Board in building the intellectual framework for accounting so that the information is valuable and beneficial. Thus, the international model is more logical and realistic, as there is no agreement between professional organizations or accountants about what is considered a principle or hypothesis.

3- The intellectual framework developed by the International Accounting Standards Board has led to much disagreement regarding the qualitative characteristics of accounting information and the hypotheses, principles, and limitations of financial accounting compared to the prevailing American model.

4—The application of financial reporting standards supports high-quality financial statements, which represent the basis for presenting financial information characterized by consistency and transparency.

5—International accounting harmonization is one tool of integration into the global economy, so there has been a global trend toward the existence of international accounting standards as a common cross-border business language that helps drive the global economy.

6- Making comparisons between different accounting systems ensures the growth of local and international companies and multinational investments.

7- International accounting standards aim to regulate the preparation of financial reports and address a specific item or group of items in those reports. Accounting principles represent a set of rules applied to every accounting transaction and are constants agreed upon by the parties concerned with accounting.

8—The International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) adopt unique approaches to economic reporting. International accounting standards recognize the guidelines that should be adhered to when preparing monetary reviews. In comparison, global financial reporting standards are aware of applying accounting concepts no matter the utility technique, so they may simultaneously be considered to have a more comprehensive and excellent correct view.

9- International accounting and financial reporting standards are subject to periodic updates by the (IASB) in response to changes in the economic environment, such as changes in business models or the emergence of new financial instruments. Thus, the Board plays a leading role in enhancing the integration between theory and application, as it combines advanced accounting theories and practical practices to meet the needs of global financial markets.

References

1. Achleitner, A.-K., and R. Eberle. 2010. Switzerland. In *A Global History of Accounting, Financial Reporting and Public Policy: Europe*, edited by G. J. Previts, P. Walton, and P. Wolnizer, Chap. 9. Bingley, U.K.: Emerald Group Publishing Limited.
2. Al-Turfi, Sadiq 2017 "Development of a Conceptual Framework for Project Management in Iraq" University of Bolton, <https://www.researchgate.net/publication>
3. Financial Accounting Foundation. 2021 (Statement of Financial Accounting Concepts No. 8 Conceptual Framework for Financial Reporting) <https://www.fasb.org/> December
4. Greuning, Hennie van 2006 "International Financial Reporting Standards Expert Curriculum" *Standards A Practical Guide* The International Bank for Reconstruction and Development, Fourth Edition
5. Hamidat, Juma and Abu Nassar, Muhammad "International Accounting and Financial Reporting Standards - Theoretical and Practical Aspects" 2016, Amman - Jordan
6. Hamidat, Juma Falah, 2019 "International Financial Reporting Standards Expert Curriculum" The International Arab Society of Certified Accountants (IASCA) <https://www.iascasociety.org/>
7. International Accounting Standard Board (2007). *International Financial Reporting Standard*. London: International Accounting Standard Board.
8. International Accounting Standard Board (2008). *International Financial Reporting Standard*. London: International Accounting Standard Board.
9. International Accounting Standard Board (2009). *International Financial Reporting Standard*. Foundation: International Accounting Standard Board.
10. International Accounting Standard Board (2010). *International Financial Reporting Standard*. Foundation: International Accounting Standard Board.
11. Kieso, Donald E. & Weygandt Jerry J. 2020. *Intermediate Accounting: IFRS Edition*. John Wiley & Sons, Inc
12. Nobes, C. W. 2011. IFRS practices and the persistence of accounting system classification. *Abacus* 47(3):267–283.
13. Panayotis Alexakis George Iatridis. (2012). Evidence of voluntary accounting disclosures in the Athens Stock Market. *Review of Accounting and Finance*.
14. Zeff, S. A. 2007b. Some obstacles to global financial reporting comparability and convergence at a high level of quality. *The British Accounting Review* 39(4): 290–302.
15. Zeff, S. A. 2010. Political lobbying on accounting standards—US, UK, and international experience. In *Comparative International Accounting*, by C. Nobes, and R. Parker, Chap. 11, 11th edition. Harlow, Essex, UK: Pearson.
16. Saudi Organization for Certified Public Accountants COCPA, 2021 [https:// socpa.org.sa/](https://socpa.org.sa/)