BRIEFING

BUSINESSEUROPE

INTERNATIONAL FINANCIAL REPORTING STANDARDS

KEY MESSAGES

1. Companies need a set of International Financial Reporting Standards (IFRS) which meet the needs of European stakeholders.

2. IFRS should promote the quality, comparability and transparency of financial reporting by companies.

3. Standard-setters should focus on financial stability issues whilst allowing for an appropriate consultation process.

4. There should be mutual recognition between EU rules and US and other sets of non-EU rules.

BACKGROUND

In the area of accounting, the EU's work is directed towards promoting the quality, comparability and transparency of financial reporting by companies. The Commission is responsible for the EU accounting directives; their elaboration, implementation and application. In 2005, the EU made the use of IFRS obligatory for the consolidated financial statements of EU companies which are listed on the EU's stock markets. A key issue is promotion of the use of IFRS as the worldwide financial reporting language. Another issue is the governance and independence of the standard-setters. The environment in which IFRS are set is undergoing significant change now that pressure is increasing for global responses to the financial crisis. To strengthen the European voice and influence in the accounting debate, the EU has reinforced the role of EFRAG and provided it with additional financial support as from 2010.

WHAT DOES BUSINESSEUROPE AIM FOR?

- Ensure a set of IFRS which meet the needs of European stakeholders, in particular by supporting the work and structure of EFRAG and improving the governance of the IASB.
- Ensure mutual recognition between EU rules and US and other sets of rules.
- The IASB to focus on financial stability issues whilst allowing for an appropriate consultation process.

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Germany	Greece	Hungary	Iceland	Iceland	Ireland
Italy	Latvia	Lithuania	Luxembourg	Malta	Montenegro
Norway	Poland	Portugal	Portugal	Rep. of San Marino	Romania
Slovak Republic	Slovenia	Spain	Sweden	Switzerland	Switzerland
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