

Convergence of IFRS in Financial Information: A Review on Indian as well as Foreign Context

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Abstract: - IFRS is comprised of standards, interpretations and the framework for preparation and presentation of financial statements. IFRS Convergence has become more popular within the recent years everywhere in the World. Since India now is an important emerging global economy, the Government of India has also agreed to convergence of Indian Accounting Standards with International Financial Reporting Standards. Convergence with IFRS is being achieved through IND-AS which has been mandatorily applicable from the 1st April, 2016 as per the new companies' act 2013. And, the newer changes will undoubtedly pave a path towards betterment or good influence of the system.

Since then, everywhere one hears a eulogizing statement that IFRS is the only way for the corporates as well as countries to survive and grow. But the extent to which their influence has delivered such rapid, remarkable improvements in the quality of reporting should satisfy any stakeholder. One of the aims of the present study is to gather assorted literatures that reviewed the adoption of IFRS on financial information quality.

From the detailed readings and analysis of articles from Indian as well as foreign context we have inferred that most of the authors feel that implementation, and adoption by IFRS helps in quality enhancing characteristics such as relevance reliability understandability faithful representation in financial statements prepared by companies. This review is done from 2007 to 2022.

Key words: IFRS, GAAP, Financial Statements, Qualitative characteristics.

1. INTRODUCTION

Accounting is mainly related to recording the economic transaction of business unit and sending it to the various interested parties who are known as users. "If accounting data are to serve the needs of the users, it is necessary that apples and oranges be alike – at least across companies in similar businesses. The only way comparable information could be obtainable was if all companies followed uniform accounting policies." (Verma et. al.,1997:131).

The accounting is no longer considered as a measuring process but as information delivery process Wheeler, 1970 If accounting is the language of business, financial reporting is the mode through which this communication occurs. Financial reporting involves adhering to certain principles of summarizing substantial information and making it accessible and relevant for the users of statement.

1.1 ACCOUNTING STANDARDS

Accounting Standard an Accounting standard is a regulation that defines generally accepted accounting principles referring to how the business income and expense should prepare its financial statements—a firm's assets I used and so its Assets Example. Accounting standards are needed so that financial statements will fairly and consistently describe a company's performance without considering the number of applicable accounting rules

used. These institutions would also not be able to compare with one another, simply because they represent different judicial borders or have been put in power at different times.

Thus, in order to have an objective and authoritative set of qualities of financial reporting, it is vital to achieve standardization of accounting principles and policies. However, principles-based accounting standard enables the accountants to exercise the policy and making a sound judgment for a given transaction Accounting Standards give the format of the financial reporting which makes the enterprise financial statement more comparable. However, in one scenario an objective standard is perceived that a principle based standard turn to rule-based standard to enhance the comparability and consistency.

Accounting Standards is a policy decision or policy as to the principles and processes out of a number of generally available. Another purpose of Accounting Standards is to define certain standards or norms or guidelines which have to followed in preparing the financial statements and computations that are generally accepted practices. These standards help to create unity in accounting policies and practices in various companies. The chief purpose that accounts standards have been developed and released is to enhance comparability in the presentation of accounts. Accounting Standard Board of the ICAI lays down Accounting Standards wherein business in preparation and presentation of financial statements and auditors while discharging attest functions so far as, Accounting Standards in India has been in numbers 32.

1.2 INTERNATIONAL FINANCIAL REPORTING STANDARDS

The last few years have witnessed significant changes to financial reporting globally wherein the most evident is the progressive issuance of IFRS all over the world. The countries aspired to converge to IFRS also included an upcoming economy in the world map, India. As different country's regulators, standard setters, and other initiations planning to implement the road map to implement IFRS in India, a large no. of industry is already discussing about the impact which they have to face for the shift to IFRS.

IFRS is the only extensive, coherent, comprehensive, compatible and easily useful set if regulations as international benchmark that requires highest degree of quality of the information presented in the financial statements and other financial technical reports with the aim of assisting participants in the global capital markets and other users in making sound economic decisions.

IFRS is an accountancy regulation adopted by over one hundred countries globally to present and report particular kinds of transactions and other events in the financial statements. IFRS are accounting policies, rules and structures, procedures on preparing and presenting financial statements. International Financial Reporting Standards are the standards that are issued by the International Accounting Standards Board (IASB) in the year 2001 and it is rapidly gaining acceptability as the Global Financial Reporting Standards. In the last few years there has been enhancement in the implementation of IFRS across the Globe. India being one among the important economy with tremendous growth and prospective in the global economy map, the Government of India has already decided to align the Indian Accounting Standards with IFRS from the financial year beginning from April 1, 2011. However, IAS issued prior to 2001 are still in operation as follows: Therefore, accounting standard refers to a set of rules of Regulation Accountancy Body which should be followed while preparing and presenting the annual reports.

In Indian context, Convergence with IFRS is done in the form of IND-AS is mandatory from 1st April, 2016 in accordance with new company's act, 2013. The Ministry of Corporate Affairs (MCA) is further authorized as the nodal Ministry dealing with the process of amalgamation between Indian GAAP and IFRS/IND-AS.

1.3 IFRS IN INDIA

Currently, the accounting standards in India are set by the Accounting Standards Board (ASB) and these are aligned with the IFRS in most respects, although occasional departures are required due to concerns with Legal and Regulatory or Economic reality. The Council of the Institute of Chartered Accountants of India ICIAI expressed in May 2005 that adopting IFRS was considered and endorsed by the AS.B. The IFRS task force was

constituted with a view to provide a clear indication on how this process of convergence would be implemented, The IFRS consolidation and completion review panel decided that they converge with the IFRS from the accounting period starting from 1st of April, 2011. The Ministry of Corporate Affairs in consultation with all the stakeholders, under the Government of India initiated the process of harmonization of Indian Accounting Standards with IFRS in order to meet the commitment of the G-20 and as such thirty-five IAS of the old Indian Accounting Standards has been replaced by International Financial Reporting Standards commonly referred to as IND AS. A majority of companies in INDIA have opted to adopt IFRS because of the significance of IFRS for their businesses for instance, INFOSYS TECHNOLOGIES, WIPRO, SIFY TECHNOLOGIES, MAHINDRA AND MAHINDRA, NIIT and etc.

The implementation of IFRS is mandatory in INDIA from the APRIL 1st 2016 for the companies whose net worth is more than 500 crores, most of the listed and unlisted companies have prepared their financial statements as per the IND-AS, which is the converged IFRS and studying with the changes in the quality of financial statements.

1.4 THE CHALLENGES AHEAD

IFRS refers to International Accounting Standard Board, which sets up the rules and regulations. However, specific responsibility of Convergence with IFRS lies with local government and accounting and regulating authorities as supported by ICAI in India. Therefore, ICAI has to put its money where its mouth is and develop infrastructure that would make companies adhere to IFRS.

India faces a few challenges and practical issues which are an impediment to the recognition and implementation of IFRS. Therefore, it will be appropriate to add some changes to the current laws and regulation on financial accounting and reporting India. As it may be recalled, there are certain legal requirements that dictate the manner of presentation of financial information in the financial statements. As it is implemented under IFRS, the accounting impact of all assets, including hidden intangibles, is presented at their fair value. Since the assets have been taken at fair value, they will have amortized which will preferentially lower future year profits under IFRS. Other problem is there is a smaller number of people who has got adequate experience in conversion of IFRS; Indian Companies has to depend on outside consultancy service or auditors for their conversion, which involves lot of money. Another problem is it should have been far better if the Indian GAAP was formulated based on the principles of IFRS as it will exhibit differences in between the GAAP and IFRS. In the end it is necessary to add, amend or remove some principles in the preparing of financial statements in the Indian GAAP.

The change to IFRS is not merely a purely financial process it has a social and political dimension as well. It is learning by doing and a case of change management as well as a pointer to areas of improvement. IFRS conversion can mean so many things for companies; it is a chance to enhance business in several aspects.

- The company can revise its internal management reports to improve its management of its financial accounting activities and its financial statement preparation for internal consumption and to supply company management and leaders with critical data.
- Enhance the availability of your company financial reports to analysts, investors, regulations and any interested party of the firm's financial outcomes and standing as well as other parameters.
- Revise figures regularly to assess company and executive performance
- Meet Benchmark and compare with your global counterparts
- Ensure that all members of the financial team have the training, good knowledge and skills required for IND-AS.

2. OBJECTIVES OF THE STUDY

In the present research, the objectives have been outlined as follows, at the help of some reviews – to investigate the degree of improvement in the quality of the financial reporting, after the adoption of the IFRS. The study is intended for the following objectives: The study is intended for the following objectives:

- The Conceptual Background of IFRS and Its Significance to Financial Reporting.

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- To understand the nature and extent of empirical evidence that has been done with an aim to and adopting IFRS on the quality of its financial reporting.

3. REVIEW OF LITERATURE

There are a number of studies undertaken in the topic of IFRS. Each study focused on various aspects of IFRS and its impact on one or more fields. The following literature analysis has been done with a view to know more about comparable studies conducted on this issue and also assess the research gap with a major purpose of deciding on a suitable technique and methodology to be followed in carrying out the present research.

The following is a summary of research studies done from worldwide and national context. It consists of Indian and foreign studies. The studies have been conducted for the period of 2007 to 2022. All the articles studied are from standpoint of implications of IFRS adoption. The majority of the current literature on IFRS and its implementation includes data from the European Union. Few studies have been conducted evaluating data from various nations, including India.

Joseph (2000) conducted a study on the importance of uniformity in reporting in an environment of technological advancement and political reorganization of nations around the world, and it was discovered that consistency in reporting allows for the attraction of global entrepreneurs and investors by increasing the rate of investment, as well as the integration of the individual economy into the international economy.

Burgstahler et al. (2006) concluded that strong legal systems are related with less earnings management. Similarly, **Cai et al. (2008)** found that nations with stronger enforcement procedures tend to have less profits management following IAS/IFRS adoption. Furthermore, IAS/IFRS adoption in countries with poor enforcement systems reduces the perceived quality of IAS/IFRS, whereas strong IAS/IFRS enforcement regimes place a significant burden on management and auditors to operate faithfully and truthfully in order to comply with the standards.

Daske and Gebhardt (2006) show an increase in accounting quality for a sample of Austrian, German, and Swiss enterprises who transitioned to IAS/IFRS prior to their mandated implementation across Europe. Value relevance studies such as those by **Bartov et al. (2005)** and **Jermacowicz et al. (2007)** produce similar results, demonstrating an increase in the value-relevance of earnings for German enterprises who adopt IAS/IFRS. **Chand and White (2020)** investigated the convergence of Domestic Accounting Standards and IFRS and demonstrated that the influence of multinational corporations and large international accounting firms can result in the transfer of economic resources in their favor, while the public interest is typically overlooked. This study focuses on the implications of IFRS on the Indian corporate for which a noteworthy positive aspiration can be reported for.

Barth et al. (2008) conducted a study of financial data from 21 countries to determine whether the use of IAS/IFRS is associated with higher accounting quality. The findings confirmed that firms that use IAS/IFRS demonstrate less earnings management, more timely loss recognition, and greater relevance of accounting numbers. The survey also discovered that firms using IAS/IFRS saw an improvement in accounting quality between the pre-adoption and post-adoption periods.

Christensen et al. (2008) investigated the voluntary and mandatory shift to IAS/IFRS in Germany, where firms were allowed to switch to IAS/IFRS prior to 2005, and discovered that voluntary adoption is associated with an increase in accounting quality, as measured by earnings management and timely loss recognition, whereas mandatory shifts do not show such an improvement. Their findings show that high-quality accounting standards, such as IAS/IFRS, may not always result in higher-quality accounting, at least when enterprises do not see net gains from IAS/IFRS adoption. This evidence is consistent with **Daske et al. (2013)**, who discovered that changes in firms' reporting incentives have an important influence in the commitment to higher disclosure for enterprises that voluntarily adopt IAS/IFRS. Firms have significant choice in how they implement the new standards, therefore some may make relatively little changes and accept IAS/IFRS more as a brand than as a plan to strengthen their commitment to transparency.

Epstein (2009) investigated the Economic Effects of IFRS Adoption, emphasizing that global financial reporting standards will boost market liquidity, reduce transaction costs for investors, lower the cost of capital, and enable international capital formation and flows.

Devalle et al. (2010) examined companies listed on five European stock exchanges - Frankfurt, Madrid, Paris, London, and Milan - and found mixed evidence: in Germany, France, and the United Kingdom, the value-relevance of earnings on share price increased following the implementation of IFRS, while the value-relevance of book value decreased, with the exception of the United Kingdom.

Armstrong et al. (2010) looked into how the European stock market responded to sixteen events related to the adoption of IAS/IFRS in Europe. These events included the endorsement of all IAS/IFRS with the exception of IAS 32 and 39, or the European Parliament Resolution mandating that all EU listed companies use IAS/IFRS, or the IAS 39 endorsement with specific provisions. They discover that events that raised or lowered the possibility of adoption were accompanied by a noticeably favorable or negative reaction in the stock market, with the effect being higher for companies that chose not to cross-list in the US.

Chen et al. (2010) examined financial data from publicly traded companies in 15 EU member states both before and after IFRS was fully implemented in 2005. They discovered that most Accounting Quality indicators increased following IFRS implementation in the EU, including less managing earnings toward a target, a smaller amount of absolute discretionary accruals, and higher accruals quality. The analysis also demonstrated that IFRS, not modifications to management incentives, institutional aspects of capital markets, or the overall business environment, is responsible for the enhanced accounting quality.

While looking at 20 industries and 13 EU nations at the same time, **Aubert and Grudnitski (2011)** were unable to find evidence of a statistically significant increase in the value-relevance of accounting information following the adoption of IFRS.

Using a case study of WIPRO Ltd., **Ray, S. (2012)** investigated the effects and ramifications on financial statements resulting from the implementation of IFRS. The primary source of secondary data used for this investigation was publicly available annual reports. The study's conclusions are supported by a comparison of reported income statement and balance sheet data as well as a few significant financial ratios for the year 2009 calculated using IFRS and IGAAP. The author concludes that there are few deviations and swings in the net income position as stated by financial statements under IFRS and IGAAP. However, variation is quite noticeable when examining the equity and total liability positions, which is primarily due to misclassification.

Srivastava and Bhutani (2012) attempted to describe the extent to which IFRS has been accepted by organizations, the obstacles and possibilities that enterprises face with IFRS, and the steps that may be taken to make the process seamless and flawless. The study focuses on the awareness and implementation of IFRS in India. According to the findings of the survey, the companies' existing situation in terms of the transition process falls short.

In their study, **Shobana and Sindhu (2020)** looked at how financial statements affected the transition from Indian GAAP to IFRS, and they came to the conclusion that IFRS is a more equitable approach to valuation and has more transparent disclosures. **Arum (2013)** investigates how Indonesia's required adoption of the International Financial Reporting Standards has affected the country's financial statement information quality, as gauged by prompt loss recognition, earnings management, and the value relevance of accounting data. Using judgment sampling techniques, research was done on 117 businesses that are listed on the Indonesia Stock Exchange. Multiple linear regression and logistic regression were used for analysis. The empirical findings show that while the adoption of IFRS has a negative impact on prompt loss recognition, it does raise the value relevance of accounting information and reduce the scope of profits management. These results add to the debate on the efficacy of superior accounting standards in non-common law nations like Indonesia.

In 2013, **Ames (2021)** carried out research on how South Africa's adoption of IFRS affected the caliber of accounting. The COMPUSTAT Global enterprises whose country code indicates that they are listed in South

Africa were all included in the sample. The primary focus of the analysis was to determine whether IFRS had an effect on value relevance and earnings quality, and whether either would have an effect on post-IFRS adoption. The outcome showed that the quality of earnings did not considerably improve in the post-adoption period, and he also discovered that the post-adoption period brought about changes in the value relevance of the main components of the balance sheet. It is evident from the study that South Africa's higher willingness to use IFRS for exchange-listed companies starting in 2005 provides a clean environment to test accounting numbers' value relevance and earnings management after IFRS implementation. **In 2021, Paramashivaiah and Puttaswamy** outlined a number of reasons why India's adoption of IFRS was delayed. To address the shortage of skilled personnel for the new accounting and reporting system, they recommended that the legal and regulatory framework be changed as soon as possible and that aggressive academic input and training be given quickly.

Using a case study of Wipro Ltd., **Ashok Kumar (2021)** examines the effects of voluntary adoption of IFRS on financial decision makers. The analysis examined the key financial metrics reported by Wipro Ltd. under Indian GAAP and IFRS. during a four-year span between 2009–10 and 2012–13. The findings suggest that the equity and liquidity ratios will rise, but the profitability ratios will not significantly rise. net profit ratio, which increased slightly in 2013. As per the study's findings, the implementation of fair value accounting and stringent adherence to accounting standards have fortified financial indicators and furnished decision-makers with transparent, accurate, and equitable accounting highlights.

Rahul and Ruchir (2021) use a sample of eight companies over three years, from 2010–11 to 2012–13, to examine the effects of IFRS adoption on the financial activities of Indian enterprises. The study takes into account four different aspects of financial activity: debt covenants, operating operations, investment activities, and financial hazards. The findings showed that while financial risks and debt covenants do not demonstrate a statistically significant influence, the adoption of IFRS has had a substantial impact on financial indicators, investment activities, and operating activities.

In order to comprehend the effects of transition, **Grabinski, K. et al. (2014)** suggested that the process of applying IFRS and looks at a number of empirical studies in this regard. The authors draw the conclusion that, as assessed by financial ratios, the move did not significantly alter the company's financial situation.

Based on a case study of an organization that has been using IFRS since 2011, personal experience, and a review of the regulatory framework, **Ghedrovici, O. et al. (2014)** address the challenges and quirks in the transition. The changeover process is difficult, and the authors conclude that changes are occurring in both qualitative and quantitative aspects based on a comparative examination of the secondary data that was gathered.

Ana Maria et al. (2015) emphasized that the adoption of IFRS, whether required or voluntary, is not the only factor that determines the quality of accounting; other factors that impact the quality of accounting include financial information incentives and the nation's political and legal systems.

Apergis (2015) conducted an empirical investigation into the impact of implementing the IFRS accounting standard on the quality of financial reporting for several MENA Listed companies. The panel methodological approach of the multifactor model is used to analyze the financial reporting quality for the years 2002 to 2012. The empirical findings show that the new IFRS regime's implementation improves the quality of financial reporting, which is influenced by various institutional, economic, and regulatory settings. All things considered; the outcome suggested that MENA Listed companies had better financial reporting than they did in the years following IFRS.

The opinions and perceptions of external users about particular qualitative aspects of business financial reports in Bangladesh were assessed by **Shamimul Hasan et al. (2017)**. Predictive value, feedback value, timeliness, verifiability, representational faithfulness, neutrality, and comparability were the chosen qualitative attributes. 190 external users, including shareholders, stockbrokers, bankers, academicians, and tax authorities, participated in an opinion poll. Users have a negative attitude toward financial reporting disclosures because their view of the qualitative aspects of company financial reporting is significantly below what is considered acceptable. According

to the study, the Board of Directors, which consists of representatives of the majority shareholders, should make an effort to restore the trust of external users by upholding sound corporate governance in the highest sincerity and integrity. The Board of Directors shall guarantee that the financial statements accurately portray the reporting entity's financial status, performance, and overall condition. Policy makers, regulators, reporting entities, academics, stakeholders, and other interested parties may find this research useful in promoting a positive corporate financial reporting environment in Bangladesh.

Moreover, within the Chinese framework, it has been Stated that the adoption of IFRS has enhanced financial performance to some degree (**Miah, 2020**). Reported that the implementation of IFRS in African countries has had an impact on firm values. using the entire IFRS instead of partially/modifying it has enhanced the financial performance (**Agyei-Boahpeah and colleagues, 2020**). Interesting, FP has been more noticeable in nations with a greater emphasis. increased dedication to upholding the law. Once more, variations in the documented FP in the Italian context evidence from GAAP and the IFRS indicates that companies reporting under the IFRS have demonstrated enhancements.

(**Cordazzo, 2013**) found that companies that have fully transitioned to IFRS have shown minimal impact. As stated in the FP article by **Paşcan and Türcan (2012)**, the implementation of IFRS in New Zealand has been documented.

Once more, scholars have debated the numerous aspects of the literature. Advantages of implementing IFRS because of enhanced transparency according to **Benkraiem et al. in 2022**. The aforementioned passage should be rephrased while maintaining the original language and word count. Existing literature has found that greater transparency has been associated with a reduction in capital costs and improved. Enhanced effectiveness of capital, encouraged international purchases, decreased profit manipulation, and resulted in the economic development of the nation (**Wijayana and Gray, 2019; Akisik et al., 2020**).

In the Indian scenario, companies reporting under the converged IFRS have typically shown lower accounting standards and reduced financial performance, as indicated by earnings per share (EPS) (**Bansal and Garg, 2021**) have also explored this topic. It has been suggested that the Indian capital market has also shown a reaction. The implementation of Ind AS has resulted in negative impacts as companies have noted higher expenses for both. Equity and debt, heightened information asymmetry, and noted a decrease in market transparency availability of cash (**Bansal, 2022**). The literature has also pointed out that it is interestingly true that the inclination. The practice of earnings manipulation has increased among Indian companies that have adopted IFRS. (**Himanshu and Singh, 2021**)

4. FINDINGS OF THE STUDY

The international Accounting Standards (IAS) or the International Financial Reporting Standards (IFRS) as the universal standards of the financial reporting have many advantages for companies and shareholders. The first benefit that can be derived from globalization is the increase in overall market appetite, reduction of the transaction price, and overall cost of capital through the chance of enhancing the structure of forming international capital. This is due to the fact that IFRS offer a standard reporting system to different businesses to facilitate communication through preparation of financial statements in a language that is understood by investors from all over the world hence enabling firms to borrow from pool of capital.

This is an indication that as more firms adopt IFRS, there is an improvement in the degree of matching of financial statements, enabling investors to make better comparisons when assessing firms across borders. Had it not been for the IFRS, investors would be forced to undergo the numerous International, national and/or local standards of accounting, in attempts to compare the value addition characteristics of firms based in different countries. IFRS thus does away with this challenge because it offers standard methods by which information must be reported.

Of course, here, it is necessary to point out that the factors affecting accounting quality increase in presence of exposure to IFRS, but archival book is still not only defined by standards, but also by other aspects, including their financial informational incentives and political and legal systems of a country. For instance, the intensity of

sanctions in relation to enforcement mechanisms, rules of transparency and disclosure demanded by the regulating authorities and the business governance standards upheld by companies are other factors that determine the quality of financial reporting. Hence, while benefiting from operating under IFRS, it is crucial to understand that the move towards the usage of the framework does not guarantee the accounting quality to be fully developed. The legal entities and the respective moderators should also put strong measures for the enforcement of such laws and convictions while supporting the ethical values, integrity measures.

However, this is not as ineffective as the earlier national standards for countries like India, IFRS enhances the quality of the financial statement as it places importance on the consistent disclosure requirements as compared to previous standards. According to the IFRS, the companies have to provide some information within the financial statements which include the accounting estimate and the assumptions made, the risks that affect the business and the effect of the transaction on the company's state. For all these factors translate into increased disclosure, coupled with enhanced consistency of the financial information that investors rely on, and this must go a long way in increasing the confidence of investors and thus support cross border investments.

The procedures for integrating financially globally and vulnerability for convergence to IFRS are instrumental within developing a universal language of reports on economic operations, which eventually enhances worldwide accomplishment of capital. Simplistically, IFRS provides a competitive neutrality for companies to access global capital and investors to make sound investment decisions based on reliable financial reports. Of course, as we have seen, IFRS is not without its floral and thorn but now that we have seen the light, the benefits of having this standard is clear and we are in the best position to see this standard at the heart of the future of financial reporting.

5. CONCLUSION

This study deals with only reviews based on previous research, limiting its scope and ability to capture the full impact of IFRS implementation. It is observed from this research that the implementation of IFRS itself does not necessarily improve the overall quality of financial statements. There are concerns as to whether the country's commitment to IFRS implementation can be optimally realized in accordance with its existing legal system, social and accounting frameworks.

While the adoption of IFRS in different countries serves as a way to provide conscripts the quality in accounting, the outcomes or results are not equal and do not have the identical nature. This means that the effectiveness of IFRS in improving quality of financial reports depends on several variables such as, the institutional environment back by the country, professionalism from association of accountants and auditors and intensity of regulations.

Secondly, relying only on the data collected from the prior years may also not adequately reflect the continuous endeavors of the countries to further improve on their process of IFRS adoption and to address any prevailing issues. It is important to understand that embracing IFRS is not a one-shot effort but a journey that demands the correct level of effort and commitment.

Although there are these limitations, this paper gives a way forward in analyzing the crossroads factors determining the effects of this IFRS adoption. Thus, the adoption of IFRS must be managed in a way that becomes supportive of national standards and enhances financial reporting regimes globally. Moreover, it discusses how IFRS has been currently still evolving and needs constant check and balance so that it can continuously reach its objectives and improvement as it was initially designed.

More countries have embraced IFRS, and as they implement the standard and acquire more experience; studies are likely to be done to gauge the effect of the standard on quality of financial reports in the long run. It should also aim to gather rich data on the nature of countries' experiences and measure potential success in this field, as well as practical recommendations for IFRS application. In this way it can offer knowledge to leaders and shareholders that will help them get the most of IFRS and contribute to the creation of high-quality financial reports all over the world.

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