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Doctoral School of Business and Management

Budapest University of Technology and Economics

Ildikó Rózsa

CODIFICATION OF IFRS DERIVING FROM THE EXPERIENCES ON US GAAP CODIFICATION MODELL

Theses

Advisor: Ágnes Laáb, PhD

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1. The objective of the research

The objective of my thesis is the study of the potential IFRS[1] codification based on the experiences from a US GAAP[2] codification modell. Instead of studying the harmonisation of contents of IFRS to US GAAP – since the convergence of the two systems generates technical debates for long years **– I studied how relevant would a restructuring of IFRS be similar to the restructuring occured in the accounting system in the United States in 2009. In my thesis I analyse the formal aspects and application of the two systems, focusing specifically on the application of the differences deriving from the formal and structural issues, instead of studying the differences in the valuation, recognition and presentation criteria.**

Recently, it has been anticipated that the IFRS became the global GAAP overtaking the US GAAP. Therefore, it is particularly important to consider the structural and formal differences, if the final outcome can result in a more transparent and simplified system for the users.

Matters before Codification:

Globally two significant accounting systems are present parallelly in the world, namely the US GAAP and the IFRS. Both approach the accounting and financial reporting issues in a somewhat different aspects. The systems of IFRS and of US GAAP were primarily structured as standard-based systems. In the accounting literature, the US GAAP is known as rules-based accounting, while the IFRS is introduced as principles-based accounting. The different context is however related to the ways specific valuation, presentation and disclosure issues are being discussed in US GAAP and IFRS.

The system of IFRS and, originally, the US GAAP were set up as a standards-based models. Since standards and interpretations focus on single, key topics with the aim to provide comprehensive answers for them, special attention must be paid to the interrelations between the standards. One may search key topics without reference to standards, while other can find topics with several references to standards. Therefore,

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[1] IFRS: International Financial Reporting Standards and its interpretations
[2] US GAAP: Generally Accepted Accounting Principles in the United States,

standards should be considered in their interrelation to obtain the overall view within a key topic.

The complete accounting text issued in IFRS and in US GAAP is considerably vast in volume, and the sequential numbering of standards neither follows the structure of the financial statements, nor follows the logical flow of consecutive steps for preparing the financial statements. In order to answer a certain valuation, recognition matter, one needs to have significant systemasing and methodological skills, together with thorough knowledge relevant to that certain topic. To answer any question regarding the content of the financial statements, overall, context-based, up-to-date knowledge is required in both systems appreciating the interactions between standards is also required.

Prior to the Codification, the number of standards, statement of positions, and interpretations were over two thousand. To overview the US GAAP literature was a great challenge even for an experienced professional, not to mention less experienced persons where it was almost impossible. In respond to the problems experienced in the standard-based system, the FASB[3] project team launched a survey among several companies and professionals. The result of the questionnaire based survey concluded that the pre-codification system needs to be re-structured. Consequently, the standard-based system was restructured, with the primary aim to simplify the access by codifying all authorative standards in single platform, and ensure that the codified content fully represents all standards, and to create an up-to-date research system for the released results of the standard-setting activity.

Hence, as of 1 July 2009, significant changes were announced in the US accounting system by the introduction of the American Standard Codification system. For better application, the standard-based system was recodified to a topically-based model in a uniform structure, which resulted in a practical, simplified, user-friendly system for all users. The Codification did not change the existing content of the accounting conventions, but launched a methodology which eased the overview and application of accounting text easier for use.

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[3] FASB: Financial Accounting Standards Board, the standard-setter organisation of US GAAP

It is notable that the the standards and rules of IFRS are not that extensively disintegrated, or split up as US GAAP standards when comparing current IFRS with US GAAP prior to Codification. In IFRS, the number of standard-setter bodies is lower, so as the number of standards issued[4]. Further difference comes from the history of American standard-setters with organisations operating over 50 years. Also, due to the continuous economic changes in the business environment, more and more new standards were issued, while modifying existing ones.

The number of standards in IFRS is lower than the number of standards existing in US GAAP prior to Codification. However the overview of the IFRS standards is already difficult in its current stage. The structure of IFRS, and the complex picture of the interrelation of standards led me to the conclusion, that it would be worthwile to ask the same questions from IFRS users that were raised by the American standard-setters prior to Codification.

If the standard based approach was taken for best practice, a good solution would have been to reissue the former standards, reaching a number of two thousand, previously issued by several standard setters into a new set of standards in a single edition without further overlaps or conflicting information. If the standard-based approach was the best approach, the FASB would have considered to edit a new list of standards, similar to the IFRS, and consolidate the former standards into that edition given that the US GAAP traditionally represents concepts common in the UK GAAP and IFRS, where standards based accounting applies.

In my opinion, the events experienced of the US GAAP standards, namely the change in the system and the environment required a uniform, transparent and user-friendly platform. Based on this hypothesis **I found it necessary to examine whether the IFRS would become a more transparent and user-friendly accounting system if it was restructured to a codified system similar to US GAAP?**

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[4] In comparison to the American system, 40 standards and 27 interpretations are in force in IFRS. Comparing the number of pages, the US GAAP literature was estimated to be over 30,000 pages, while the IFRS content is approximately 3500 pages.

What were my particular objectives and problems to be solved during my research in order to perform the work?

1. The primary objective of my research was to examine if the situations and circumstances present in US GAAP prior to the restructuring of the US GAAP system, which led to the codified structure are present in IFRS. The objective was important to the extent that the codified IFRS system would support the application of IFRS and enhances its globalisation. The idea arise from the Central-European experience, where uniform structured based accounting systems are common, and standard-based practise are different, and, therefore, alligning with IFRS makes difficulties for the users.

2. Based on the favourable experience of the restructuring of the US standard-based system, rightly comes the question: **would not it be worthwile to restructure the IFRS system based on the American structure?** In my research I asked the question if the restructuring of the standard-based system would support the users in the recognition of accounting rules? The question was answered by my questionnaire-based research using the questions asked by the American standard-setters.

2.   Research methodology

My research problem was formulated based on my experiences gained in the past decade. As a **first** step in the methodology, I processed the relevant literature then critically evaluated. Besides the 54 source-books, articles in the references I needed the up-to-date knowlege, which were represented by the following special professional materials:

- the releases issued by the American standard-setter board (FASB), the processing of the results of the American Codification and the of the results of the IFRS convergence,

- the results of the convergence negotiations released by the European standard-setter organisation (IASB[5]) (from 2003 to date),

- the surveys, researches on the establishment of global accounting rules released by the American Stock Exchange (SEC[6]),

- the Reports on the observance of standards and codes (ROSC) released by World Bank from 2006 to date on several countries, studying the accounting harmonisation,

- the releases of the American chamber of auditors (AICPA[7]),

- personal interviews with the Technical Board of IASB (May 2012).

The **other important methodological approach** of my research was the questionnaire-based survey and the evaluation thereof. The questionnaire was set up based on the survey and questionnaire[8], issued and published by the American standard-setter organisation (FASB). The questionnaire that led to the introduction of Codification after evaluation. Processing this questionnaire and with a small extension, I approached financial and accounting professionals in American and European listed multinatioanl companies. The completed questionnaires assisted me in examining if my hypothesis was right. The primary objective of the research by questionnaires was to examine if the introduction of Codification was worth launching, and to explore if the conditions and circumstances present prior to Codification were present among the IFRS users, as well.

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[5] International Accounting Standards Board
[6] Securities and Exchange Commission
[7] American Institute of Certified Public Accountants (AICPA)
[8] see Chapter 4.1.1.

The questionnaires were sent to two separate groups which were allocated by the following way:

<u>Group 1:</u> *the experience of listed company US GAAP users after the introduction of Codification*

The question I raised in examining Group 1 was to analyse and evaluate the experiences after the introduction of Codification among those companies which are listed on the American Stock Exchange. Some years after the launch of Codification the question is: if the introduction of Codification solved the problems and difficulties (published by FASB based on its questionnare-based survey) present prior to the Codification? Are those problems and difficulties still present which were characterising the pre-Codification system?

In my research I asked the same questions which were asked by the FASB before the start of Codification (in order to be comparable) and I compared the results from my research with the pre-Codification results published by FASB. The number of participating companies was 100, which were primarily the US GAAP users from the Central European region (primarily from Hungary).

In the sample of the companies I had to consider the fact that only subsidiaries of those companies listed on the American Stock Exchange are obliged to prepare financial statements in accordance with US GAAP. However, I tried to cover my sample broadly for selection. One of the most important aspect of the selection from the Central European region was that the US GAAP users who are foreigners find the searching and the overview of the system more difficult than the American users. In the company selection, those 40 companies were chosen, who had the largest stockholders' equity on a sliding scale among the US listed companies. After the selection of the companies, I approached entities that had a subsidiary in this region and I asked them to fill in the questionnaire.

The questionnaires were filled out by the financial and accounting collegaues of the subsidiaries (or its subsidiaries) of companies listed on the American Stock Exchange. In case of larger companies, it happened that Hungarian, Polish, Bulgarian subsidiaries filled out the questionnaires from the same group, such companies (subsidiaries) were accounted as separate participants by country.

The questions – rephrasing the original questions of the FASB – were placed on the current applicable system. The questionnaires were sent to collegaues of 100 Europan companies, however only 74 were acceptable for the evaluation of the survey.

Group 2: *Experiences of European listed companies on the application of IFRS*

The objective of the research was to examine to what extent the application of IFRS causes difficulties and whether the restructuring of IFRS – similar to the American Codification – would support the application among listed companies reporting under IFRS? The questionnaires contained the same questions used by the FASB in the American research.

The research sample comprised exclusively multinational companies, and questionnaries were sent exclusively to them. As in Hungary, and in the region primarily those companies report under IFRS that are either listed on the stock exchange or are subsidiaries of foreign mother companies listed on the stock exchange. The questionnaire was sent to the controllers, chief accountants, chief financial officers of 300 European multinational companies. From the questionnaires received 194 were acceptable for evaluation.

The following table summarises the most important aspects of the questionnaire based survey:

	US GAAP	IFRS
Companies interviewed	companies listed on the US stock exchange	companies listed on a stock exchange in the European Union
Primary objective of the questions	the effect of the introduction of Codification, whether it was successful, has it solved the prior problems?	are those circumstances present which were present in the US prior to the Codification? Would it be an advantage to restructure the IFRS based on the US GAAP?
Number of companies participating in the survey	100	300
Number of answers acceptable for evaluation	74	194

Comparing the results of the two questionnaire-based survey, after critical evaluation I formulated my theses.

3. Theses

The thesis was formulated based primarily on the results of the questionnaire-based survey. The evaluation of the questionnaires sent to the first Group has proven the efficient introduction of the Codification (see Table 2 on Page 35), where the participants considered the restructuring of the standard-based accounting text to a codified text being is a significant improvement. 80% of the participants believed that the US GAAP was misleading prior to the Codification, but after the introduction of the Codification only 31% of the participants believed the same again. Note that the decrease was due exclusively to the change in the structure, while the content of the text did not change. The relative time to find the answer to a certain question also decreased significantly: from 85% to 38%, which I found important to support my thesis.

At the same time, it is worthwile to mention that the Codification did not impact the content of US GAAP conventions, therefore, the understandibility of US GAAP has not changed or eased significantly according to the participants. Prior to the Codification 87% of the participants believed that the Codification made the accounting rules understandible, but after Codification only 81% believed the same again. Having experienced these results, I drew the conclusion that the contextual regulations of the system are still quite complex, however, the extent in percentages is high enough to state that the Codification made the accounting regulations more understandable in the new structure.

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[9] Supported by publication in (Andor, Rózsa: „Should codification emerge in IFRS? Does form of regulation matter? ", 2013, accepted for publication, Acta Polytechnica Hungarica)

Out of the remaining two questions, the first question examined if the search in the system has become easier than before? Interestingly, the improvement in percentages was not as significant as it was in case of question two. However, there is also a change, prior to Codification 96% of participants believed that the Codification would make searching easier, while after the Codification only 79% of them believed the same again. In my opinion, the small decrease is due to the fact, that the system is rather new, the participants started to use it actively only some years ago, and the acquisition of thorough knowlegde of the system requires time. However, I considered the 79% as being favourable, because no illusions on anticipated, unknown system is present now, the 79% was received to a used, known system.

The fifth and last question ask the participants whether the Codification was for launching? Prior to the Codification 95% of the participants believed that the introduction of the system was a good step, while after the launch of Codification this opinion has decreased to 82%. I found the extent of the decrease favourable, since after the initial introduction process of a new system, significant extent of participants still thought that it was a good idea to launch the system.

> *Thesis 2 (Rózsa, 2013[10]):   The Central European accounting regulations in its attributes are unified, codified accounting rules. The application of standard based accounting is essentially unfamiliar, therefore its spread is more difficult in this accounting culture.*

In the examined Central European countries, the application of IFRS is required explicitly from companies listed on the stock exchange, and from financial institutions such as banks and insurance companies in case of consolidated financial statements. Nevertheless, several countries provide the opportunity to opt for the preparation of the consolidated financial statements in accordance with the IFRS standards, along with (or instead of) the consolidated financial statements in accordance with statutory regulation. For standalone purposes, it is unlikely, that the preparation of the financial statements in accordance with IFRS standards would be opted or accepted.

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[10] Publikációval alátámasztva (Rózsa Ildikó: „Difficulties of applying IFRS in Continental Europe from the perspective of Codification", 2012, közlésre elfogadva, Periodica Polytechnica)

Note that, in the same time, the examined countries, together with the IASB – as a support for the 1606/2002. EU regulation – have started to set up standard-setter bodies. The objective of these bodies is to cooperate with the IASB and the establishment of the national standards. However, in the examined countries, it can clearly be noted that the standard-setter bodies have primarily an advisory function, and in the majority of countries the companies have to follow the statutory regulations, the national accounting laws.

In 2013, the IASB started to publish on its website the possibility for expected introduction of IFRS SME[11] in these countries. Therefore, I wanted to see what the anticipated dates for introduction were proposed and, what kind of negotiations are in progress for the introduction. From the publication released by IASB, it is noted that none of the examined countries plan to introduce the IFRS SME, indicating in their answers that this possible introduction has not been examined by them so far. It should be underpinned, since the IFRS SME is a simplified requirement for those companies who does not have public accountability, who are not listed on the stock exchange. If the introduction of IFRS would be general in a given country, for the small and medium-sized entities, the application of this standard would be obviously easier. Consequently, this is also a sign that the overall, thorough introduction of IFRS in the examined countries are not anticipated soon.

The accounting regulations of the examined countries are summarised in Table 4, on page 43, where the details of 10 countries are shown, followed by the presentation of each countries' standard-setter organisations.

The companies participating in the questionnaire-based survey from Group 2, are exclusively companies who are listed on the stock exchange, since certainly they are those, who understand and use the IFRSs. For those companies who participated in the survey, I examined their national accounting environment, and classified this statutory regulation as standard-based or uniform (codified) structure characterised accounting systems.

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[11] IFRS SME: IFRS for Small and Medium-Sized Entities, a simplified standard for those companies who do not have public accountability, e.g. are not listed on the stock exchange.

Analysing the above considerations, I determined that the accounting regulation in the Central European region was in its attributes not standard-based regulation but a uniform, codified structure of accounting laws in the majority of the countries. This form of structure – similarly to the American Codification – integrates the required accounting rules, its modifications, where timely accounting changes are updated within the system. Consequently, searching for the references, and monitoring of changes is more similar and closer to the current American accounting system, then any navigation in the IFRS standard-based system for the users in this region. During examining the statutory accounting regulations of each country, it was notable that in case of some countries there was a mandatory or recommended chart of accounts, or structure of accounts.   For professionals, who are operating in these countries, the lack of this mandatory specification often resulted in a feeling of loosing the „hand-hold" they previously had, decreasing the level of comfort.

Several studies pointed out (Aisbitt & Nobes, 2001; Evans, 2003) that the acceptability of IFRS was worsened by the weak availability of the standards in national languages. The literature of IFRS is increasing, however the new, modified versions are available in foreign languages, and the continuous modifications, changes are barely monitored, and the exploration of interrelations between the standards are studied with difficulties.

In 1995, Guenther and Hussein (1995, p. 132) has already concluded that the main obstacle of the accounting globalisation is the tax regulation of each country. In several countries, the national accounting regulation is the basis for the national taxation systems, therefore there is significant opposition against the introduction of IFRS for standalone accounting purposes.

> *Thesis 3 (Andor, Rózsa, 2013[12]): The current system of IFRS can be restructured to a uniform, codified structure-based system without significant contextual modifications. As a result of the restructuring, the existing redundancies, the inconsistencies can be eliminated, the relevant accounting interrelations can be revealed.*

The IFRS comprise two authoritative components: (1) standards and related (2) interpretations. Additionally, the Framework for principles and definitions supplements the implementation of IFRSs. Along with the names of the topics covered, all standards and interpretations are coded by abbreviations that stand for "International Accounting Standards" or "International Financial Reporting Standards" or the name of the interpretation committee (SIC/IFRIC). Finally, each standard coding ends with a serial number referring to the chronological history of issue. Serial numbers are missing from the sequence if part of a standard has been superseded or reedited in a new standard because of significant changes in standards, other than simple modifications.

The IASB has implemented significant development to date and further projects are expected in order to make the IFRS a global standard of accounting. Therefore, a number of standards have been modified and/or superseded, and several new standards and interpretations were issued in the past years. In order to ensure an efficient conversion to IFRS, the professionals, users, auditors need to interpret the requirements and information disclosed in the same way, the regulation should secure a certain level of stability.

At the moment, the disintegration of the IFRS regulations is not as high as it was in the American standards, since the number of standard-setter bodies is lower[13] and the number of issued standards is also fewer, however, it is not simple to obtain a comprehensive view on it in its current stage.

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[12] Supported by publication in (Andor, Rózsa: „Should codification emerge in IFRS? Does form of regulation matter? ", 2013, accepted for publication, Acta Polytechnica Hungarica)

[13] prior to Codification the following standard types were issued by several standard-setter bodies in the United States: SFAS (FASB Statements), FSP (FASB Staff Positions), AICPA Audit and Accounting Guide, AICPA Interpretations, APB Opinions, ARB (Accounting Research Bulletins), FASB Derivative Implementation Group Issues (DIG), EITF (Emerging Issues Task Force), FIN (FASB Interpretations), FTB (FASB Technical Bulletins), IR (SEC Interpretive Release), PB (AICPA Practice Bulletins), QA (FASB Staff Implementation Guides), SAB (SEC Staff Accounting Bulletin), SOP (AICPA Accounting Statement of Position), SX (SEC Regulation S-X), TIS (AICPA Technical Inquiry Service), CON (Concept Statements)

It is anticipated that when IFRS becomes the global standard, further new standards would be created, and in a short time it may become less and less transparent, such as the American accounting standards were prior to the Codification. Starting from the experiences of the conditions existing before the American Codification, I examined whether the current structure of IFRS can be overviewed without difficulties, whether IFRSs are complex or not. I prepared a relationship matrix that presents the references between the standards in force. In Table 3 and in Chart 1, the references between standards are summarised, and it clearly shows the exercise to perform in order to obtain a comprehensive view of the IFRSs. It is shown clearly, that the structure of the current standards, the interrelations between standards is very labyrinthinstic, and therefore to obtain a comprehensive overview is a great challenge for an IFRS user. I illustrated it in my thesis that one should review at least eigth standards and interpretations [14] to answer a simple question about valuation of tangible assets, whereas such questions can be answered in US GAAP by a single reference.

I concluded that in IFRS the reference number of standard references is significant, however still manageable at this current stage. Although, the number of interrelations, references to other standards are very high, which may initiate the establishment of a new structure.

The system of American Codification after the restructuring is quite similar to the Central European national accounting systems (e.g. the Hungarian Accounting Law), therefore, its structure is more familiar than the standard-based IFRS.

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[14] not taking into account industry specific issues

> ***Thesis 4 (Andor, Rózsa, 2013[15]): The current system of IFRS is still manageable for the Central European regional users, however the establishment of a uniform structure would ensure a significant ease for them.***

I examined whether there is a need for an IFRS user in the Central European region for a uniform, codified system, namely, for the restructuring of the IFRS to a codified system. The questionnaires sent to the participants of Group 2 – where the listed companies using IFRS were in focus – raised questions on the transparency of the current IFRS system. Since the IFRS users generally are not familiar with the American Codification system, I enclosed a short summary about it, and the existing structure of Codification.

The result of the questionnaire is summarised on page 57, in Table 7. According to the results of the survey, significant part of the participants (77%) would welcome the codification of IFRS into a uniform, codified structure. It is not as high as it was the case in the United States prior to Codification – that was 95%. It can be explained by the conclusion I already made earlier: the disintegration of IFRS is not as deep as it was in the American accounting system. It has already been lightened that the current system of IFRS is manageable for the users, however, after summarising the answers of the participating companies, it is notable that a uniform, codified structure would ensure a significant improvement for them.

Based on the results of the questionnaire-based survey, using the structure of the American Codification, I linked the current IAS/IFRS standards and interprepations (SIC, IFRIC) to each Codification categories, classifications. In the structure I followed the existing structure of Codification, linking them to the IFRS standards and interpretations. It must be noted that it is not final, it should be harmonised and matched in the relevant parts.

In my opinion, the opposition of several countries against the introduction of IFRS can be weakened by codifying IFRS, since a more transparent and familiar structured regulation would be implemented instead of the current list of standards. Certainly, it would not eliminate the accounting dilemma on taxes, which is one of the most important opposition against the launch of IFRS. The advantages and disadvantages of

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[15] Supported by publication in (Andor, Rózsa: „Should codification emerge in IFRS? Does form of regulation matter? ", 2013, accepted for publication, Acta Polytechnica Hungarica)

IFRS Codification are summarised in section 6.1. in this thesis.

It was important to examine, what were the causes of the need for a uniform, codified system among the IFRS users, since the disintegration, or „flow of standards" are not yet present in IFRS in comparison to the American standards, the standard-setting activity and the overview of standards is still manageable. In my opinion, the „loss" of the familiar structure in the accounting regulations is a definite problem for professionals in the examined countries, in this context the national accounting systems are not standard-based and statute is still to be used for standalone reporting.

Except for the companies listed on the stock exchange, several, significant number of countries have not accepted the IFRS regulations as national accounting regulations. The opposition is due to the differences coming from accounting valuations, from tax aspects and from the standard-based structure of the regulation.

4. The structure of the thesis

In *section one* of my thesis, I provide a systematic overview on the motivation of my objective of the thesis, and present the methodology and the theses concluded from my research. The paper continues with the review of key definitions in the *section two*, followed by the introduction of the thesis in *section three*. After the introductory parts, the paper is separated to three main sections.

In the *section four,* the history of the American Codification system is presented along with the reasons and motivations for its establishment. In the section, the main milestones of the establisment is reviewed, highlighting the main attributes of the current codified system. It is followed by the detailed presentation of the survey perform by FASB, what were the reasons to measure these questions, what were the results of this questionnaire-based survey.

In section four, the structure of the Codification is presented, including the way of application and its impact on the regulation. After the presentation of Codification, the questionnaire used by FASB in its survey – already presented in this section – is used again with the motivation to examine whether the introduction of Codification was successul for the US GAAP users. Proceeding the survey performed by FASB in 2007, I repeated the same questions for Group 1. By the repetition of the original questions, the objective was to examine whether the Codification achieved its goals, whether the prior problems diminished. The section is ended by the presentation and evaluation of the new questionnaire-based survey, together with conclusions drawn in the theses.

In *section five* – using the knowledge gained after the presentation of the American system – I discuss the current structure of IFRS, and the difficulties of its application from the aspect of a Central European IFRS user. In this section, the interrelations between standards are presented, by mapping the references crossing each other. Also in this section, the way of obtaining a comprehensive view of the standards is persented, how an IFRS user should approach the standards for searching purposes.

After the presentation of the interrelations of IFRS standards in section five, I examined the currently valid accounting regulation of some Central European countries. The purpose of the examination was to identify whether the country specified a standard-based or a uniform, codified accounting system. In the section, the accounting regulation of 10 countries were analysed by several aspects, by answering some questions on its accounting systems (e.g. is the application of IFRS mandatory in the given country for standalone financial statements?). The accounting regulation structures were examined for these countries, along with the standard-setting procedures (if any), and finally mapping the possible introduction of IFRS. In the section, it becomes obvious that the structure of IFRS is unfamiliar for the countries examined. At the end of the section, the opportunity for IFRS Codification has already come up as a possible answer to the problems.

Section six describes the possible Codification of IFRS standards. In the beginning of the section I illustrated how difficult it is to answer a simple accounting question by professionals in IFRS and in US GAAP, in comparison to one another.

By keeping an eye on the potential Codification of IFRS, together with the knowledge gained in previous sections, I performed a SWOT analysis to understand the strengths, weaknesses, opportunities and threaths of IFRS Codification.

After the presentation of the research made so far, the results of the questionnaires sent to the current IFRS users are presented and evaluated. The same questions were raised to the IFRS users that were asked by FASB in 2007, however adopted to the potential problems in IFRS. By asking this segment of users, my objective was to identify whether the problems or potential threats are present, that generated the American Codification process and launched the Codification. The evaluation of the two questionnaire-based surveys has proven, that the IFRS Codification of IFRS may well be necessary and is welcome by the users.

Following the evaluation of the survey and conclusions, I challenged the currently valid IFRS standards and interpretations and linked them to the structure of American Codification system. As a result, a codified, more transparent system was created, that facilitated the comparison of the continental European accounting regulations to the American system.

The paper ends with the summary of conclusions.

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6. Publications related to the thesis

Articles published in Hungary in English:

20) Rózsa Ildikó: „Difficulties of applying IFRS in Continental Europe from the perspective of Codification", 2012, közlésre elfogadva, Periodica Polytechnica

21) Andor György, Rózsa Ildikó: "Should Codification emerge in IFRS? Does form of regulation matter?", 2013, közlésre elfogadva Acta Polytechnica Hungarica

22) Rózsa Ildikó: „New trends in Consolidation – challenging of new IFRS rules", 2012/20/1, Periodica Polytechnica

Books, sections published in Hungarian :

23) Balázs Á, Boros J, Bosnyák J, Gyenge M, Győrffi D, Hegedűs I, Kováts E, Lakatos L, Lukács J, Madarasiné Szirmai A, Matukovics G, Nagy G, Ormos M, Pavlik L, Pál T, Rózsa I, Székács P, Tardos Á, Veress A, in   Bosnyák János, Kováts Erzsébet (szerk.): Nemzetközi számvitel tankönyv: IFRS-ek rendszere. Budapest: Magyar Könyvvizsgálói Kamara, 2006.,

24) Lakatos, Kovács, Mohl, Rózsa, Szirmai: A Nemzetközi Pénzügyi Beszámolási Standardok elmélete és gyakorlata, 2013.,

25) Baumgartner F, Bűdy Z, Kapásiné B. M, Karai É, Lakatos L., Márkus M, Rózsa I, Székács K.   Rózsa Ildikó (szerk.) IFRS written course. 2008.

26) Rózsa, I. (2010): Az amerikai standardok újrakodifikálása. Számviteli Tanácsadó II. évfolyam:(2. szám) pp. 15-17. (2010)

27) Madarasiné Sz.A, Matukovics G, Rózsa I, (2004): IAS vs. US GAAP, Hazai és nemzetközi jogszabályok, számviteli magyarázatok gyűjteménye, Verlag Dashöfer, Budapest.

28) Karai Éva, Rózsa Ildikó: "Nemzetközi számvitel II", BME Számvitel mesterszak jegyzet, Budapest, 2013