



Valences of Financial Reporting According to IFRS. Up-to-Date Challenges for Financial Auditors

Prof. Emeritus Maria MANOLESCU, Ph. D.,
Bucharest University of Economic Studies, Romania,
e-mail: maria.manolescu@soter.ro

Georgeta PETRE, Ph. D.,
financial auditor,
e-mail: gpetre.expert25@gmail.com

Alexandra LAZĂR, Ph. D.,
financial auditor,
e-mail: lazaralexandra1971@gmail.com

Abstract

Through this paper, the authors want to mark the centenary of the accounting profession in our country (1921-2021). They aim to analyze the evolution of financial reporting, at the national level, in the last three decades, parallel to the natural development of the accounting profession and to bring into the spotlights:

- how developments at the national level have kept pace with the ever-changing European and international financial reporting requirements;
- the current challenges for the accounting profession in general and financial auditors, in particular, generated by the frequent and particularly complex changes of international standards in the field, changes generated precisely by the need to strengthen the quality of the information provided by financial reporting;
- the natural steps to be taken to strengthen professional cooperation and collaboration within and in the interest of the accounting profession, to respond effectively to the expectations of all stakeholders in the development of financial reporting.

Keywords: financial reporting; accounting profession; IFRS; professional judgement; statutory audit; audit opinion

JEL Classification: M41, M42, M48

To cite this article:

Manolescu, M., Petre, G., Lazăr, A. (2021), Valences of Financial Reporting According to IFRS. Up-to-Date Challenges for Financial Auditors, *Audit Financiar*, vol. XIX, no. 4(164)/2021, pp. 706-723, DOI: 10.20869/AUDITF/2021/164/023

To link this article:

<http://dx.doi.org/10.20869/AUDITF/2021/164/023>
Received: 19.08.2021
Revised: 30.08.2021
Accepted: 21.09.2021

Introduction

We consider it necessary to mark the centenary of the accounting profession, respectively the 100th anniversary of the approval by "ROYAL DECREE no. 3063/1921 of the Law for the organization of the Body of Certified Accountants and Expert Accountants in Romania", by highlighting the main steps in achieving, in the last three decades, modern accounting fully connected to European and international concepts in the field.

In this "anniversary frame", we consider that it is not a lack of modesty if we emphasize the fact that the authors of this article had the determination and conviction, but also the chance to get involved in this valuable country project whose general objective was to achieve the long-term strategy, harmonization, convergence and then compliance of Romanian accounting with the concepts and principles of European and international accounting.

The strategic objective, as was natural, had several dimensions, and the projects of the packages of normative acts had to be permanently synchronized with the requirements of the stages completed by Romania after its opening to the competitive economy.

The main pillars on which the whole process-focused, which made possible the achievement of all the assumed objectives, we appreciate that are as follows:

- emphasis on ensuring the basic legal framework for the organization and functioning of new entities specific to a market economy; we mention first of all the Company Law and the Accounting Law, normative acts whose process of elaboration, endorsement, and approval took place simultaneously and their initiators (Ministry of Justice and Ministry of Public Finance) conducted a wide public consultation and debate throughout their promotion and improvement;
- recognition of the role and importance of regulated professions specific to the accounting field. Thus, the first set of draft normative acts on the re-establishment of the profession of expert accountant and certified accountant and the Organization and Functioning Regulation of this profession was started by the Ministry of Public Finance at the same time as the draft of Accounting Law, so that the new liberal accounting profession to be functional, based on the Company Law, of new entities specific to the market economy. We also note on this occasion the role of the Association of Expert Accountants and Certified

Accountants (which some of the former members of the Professional Body approved in 1921 registered as a foundation immediately after 1990, a foundation which, through its members, was particularly active and involved in the whole process of legislative consolidation of the accounting profession and with which an exceptional collaboration was achieved);

- achieving a very consistent professional collaboration and dedicated to the legislative developments in the field, collaboration initially realized within the Accounting Advisory Board (established by GD no. 575/1992 which later, in 2005, became the Accounting and Financial Reporting Council), body with the role of consulting and endorsing all regulations in the field, of approving training programs for accounting staff based on new regulations approved and of experimenting on representative samples of entities, which included representatives of regulators, such as Ministry of Public Finance and Ministry of Justice; of professional bodies, first the Association of Expert Accountants and Certified Accountants, then Body of Expert and Licensed Accountants of Romania (CECCAR), The National Association of Romanian Authorized Valuers (ANEVAR), Chamber of Financial Auditors of Romania (CAFR), and The Chamber of Tax Consultants from Romania (CCF), after their establishment by law; of the universities with economic profile from the representative university centers (The Bucharest University of Economic Studies, the universities from Timișoara, Cluj-Napoca, Iași, Craiova), and last, but not least the business environment, through the representative employers' organizations. We are very pleased to highlight on this occasion the exceptional collaboration achieved within this professional body between all its members throughout its operation, collaboration noted and mentioned appreciably by the various external institutions and bodies that have overseen legislative developments overtime of the accounting field in Romania;
- access to external resources needed to finance some training programs for all professional categories with responsibilities in the field of accounting and financial reporting;
- ensuring the effective implementation of major legislative changes in the field of accounting only after completing "pilot stages", which included representative samples of entities from all economic sectors of activity and which supported the process of

consolidating the accounting practices imposed by those changes;

- providing professional practitioners in the accounting field with professional guidance appropriate to the level of development and complexity of accounting regulations (guidelines first developed by regulators and then, of course, by professional bodies);
- the major concern of the economic universities from all over the country for updating and adapting the accounting curriculum with the current legislative developments and with the European and international requirements in the field and launching training programs based on bilateral agreements with universities from main countries. At the same time, all the research appropriate to the periods completed by the teams of these universities and published during all this time were of real use for professionals in the accounting field.

At the same time, we are very pleased to mention the positive way in which professionals in the accounting field have received these major changes, the responsible involvement in the implementation of these substantive reforms, the availability and conviction of the importance, usefulness, and necessity of new approaches.

1. Review of the specialized legislation

The objectives of our research lead us to an adequate approach to the issue of specialized literature, namely the synthesis of the documentary fund involved in the scope of the reforms of the accounting field, carried out over a representative period. Thus, for the first objective of the research aimed at the evolution of the accounting system reform in general and financial reporting in particular, we focused mainly on the legislation that defined its essential stages.

1.1. The period of the "first steps of the reform" was marked by the concern to ensure the legal framework of the accounting field is appropriate to the new context. The basic responsibility of the accounting regulatory authority which has the legal responsibilities to ensure the process of transition of the legal framework of the accounting field from the requirements of the centralized economy to the new approaches of an open economy (whose buds materialized in the first draft acts norms that highlighted

substantive changes), assumed naturally a solid documentation base.

In the case of the field of accounting, the documentation process started with the national legislation of the accounting field, before the transition to the centralized economy.

We consider it important to mention that the first meeting of accounting specialists, organized in early 1990 at the Ministry of Public Finance, chaired by the Minister of Public Finance and attended by specialists of the Ministry of Public Finance, representatives of universities, specialists in economics, including accounting experts – former members of the Body of Certified Accountants and Expert Accountants – established in 1921, representatives of the Ministry of Justice, etc., had as a starting point for discussions the following regulations:

- Law since 31 July 1929 on public accounting and on budgetary control and public patrimony (published in Official Gazette no. 167 of 31 July 1929); and
- Law for the organization of the Body of Certified Accountants and Expert Accountants in Romania, promulgated by King Ferdinand I of Romania on July 13, 1921.

The purpose of these first meetings of specialists was to launch the process of updating the legal framework of accounting and the accounting profession and, at the same time, to ensure a common vision on the regulatory framework of the accounting field. At that time, there were some opinions according to which the regulations regarding companies, including accounting ones, should be comprised in the same law, and others argued that these regulations should be included in an updated Commercial Code for the new conditions, etc.

The legislation specific to the field of accounting in countries with a solid and functional market economy has been documented and understood, to avoid the risk of loopholes in the new regulatory process.

1.2. We consider that the identity document of the accounting field reform was represented by the signing on February 1st, 1993 of the Association Agreement of Romania to the E.U. Based on this act, all the professional approaches of the period were focused on the understanding and gradual takeover in the internal legislation of the provisions of three European Directives, the representative for the field of accounting and the accounting profession:

- The European Directive No IV (Directive No. 78/666/EEC), which provides that the individual financial statements of companies reflect in a real and fair manner the financial resources, the liabilities, the financial position, the profit and loss and establishes the structure of the Balance Sheet, of the Income Statement, assessment rules, publication rules, etc.;
- Seventh Directive (Directive No. 83/349/EEC) on consolidated accounts, which sets out clear requirements for parent companies for the purpose of drawing-up consolidated financial statements, so that they can offer a true picture of the assets and financial position of those companies;
- The Eighth Directive (Directive No. 84/253/53/EEC) laying down strict requirements concerning the qualification of persons responsible for carrying out statutory audits of financial statements drawn up under the Fourth and Seventh Directives.

Over time, these directives have undergone numerous changes which have been taken up at the right time in the relevant national accounting legislation.

1.3. The act of maturity and full compliance of national accounting regulations with the European ones is certainly represented by the signing of the Treaty of Accession of Romania to the European Union, at which time the European Commission's assessments found and recorded the high degree of compliance.

1.4. The process of transition to the implementation of international accounting standards by some categories of companies has been influenced by the acceptance of international accounting standards at the European level, a process marked by several stages, of which we aim to focus on the most representative ones.

After 1990, the European Union accepted the IASB's invitation to participate as an observer in the process of harmonizing international accounting and became a member of the Advisory Group. In 1995, at IOSCO Conference, a list of accounting areas to be reviewed until 1999 was established by IOSCO AND IASC so that financial statements prepared under IASC rules could be recognized in all financial markets of the world. All this time, at the E.U. level, steady progress

has been made towards accepting international accounting standards, so that – in 1995 – the European Commission's Decision was issued to support IFAC's initiatives and efforts to bring European accounting requirements to a common denominator with international accounting standards developed by IASC.

The decisive moment is marked by the approval on July 19, 2002, 1 of Regulation No. 1606 of the European Parliament and the Council on the Implementation of International Accounting Standards.

In Romania, this moment of reference at the European level was preceded by national regulations that launched the privatization process of the representative companies of the Romanian economy, namely G.O. No. 40/1999 for the ratification of the PSAL loan agreement – for the institutional development of the private sector.

On this basis, the first program for the application of international accounting standards was established in our country, which targeted this category of companies, and the national legislation in the field of accounting gradually took over both the IASC and IFAC regulations.

It should be noted that the whole period of accounting reforms can be considered as "the most prolific" if we consider the specialized research published by many authors and which covered the requirements of documentation and professional development of practitioners and training of new specialists. This effort was joined by the researches of specialists published in the pages of the „Financial Audit” journal, researches that accompanied all important changes in the field and covered through the scientific content the very complex issue of new approaches to IFRS.

We consider it necessary to mention the fact that a decisive factor in the successful implementation of an accounting reform is the tax settlement of its effects. That is why we appreciate in this context the fact that the taking over of the fiscal solution of the impact of the application of IFRS through the Fiscal Code (and, respectively, through the regulations for its modification and completion) represented support in the implementation process. Thus, the need for the elaboration by the state institutions of the Decisions of the Central

Fiscal Commission and, respectively, the Manuals of fiscal reconciliation was eliminated. We consider that future actions should be oriented more towards the overlap of the tax settlement deadlines with those of the entry into force of IFRS so that there are no more "periods of non-coverage of some accounting treatments provided by IFRS with related fiscal solutions".

2. Research methodology

Through this current paper, we aimed primarily at the dynamic analysis of the evolution of accounting reforms, in the last three decades, to conclude on their "current situation".

The research undertaken aimed to highlight the direct purpose of the reform of the accounting field, respectively: the quality of the information provided to users of financial information; how all the reforms carried out in time were correlated with the political objectives of the periods covered; to identify the factors that decisively influenced the whole course of the reforms and, last but not least, the strategy followed for their implementation.

After concluding on the fact that from the point of view of the in-force regulations, Romania is in total agreement with the concerns at the European and international level, as was natural, we followed a research approach aiming at the issue of up-to-date practice in the accounting field. In this context, the second research objective was to objectively observe the aspects related to the effective implementation of IFRS as a basis for accounting – having as a source of research the public financial reports and the audit reports related to a representative number of companies considered to be with enough experience in the accounting field. The objective was to identify the elements of difficulty that the practice faces after a significant period of implementation of IFRS, how the recent changes brought by IFRS 15, IFRS 16, IFRS 9, etc. were assimilated, the main causes generating difficulties and some ways to be followed. The results of the observations were particularly conclusive and the inexplicable elements we want to draw attention to concern "the existence of public interest companies that, although they claim

to implement IFRS, have not yet taken the first step – ie they have not adapted their accounting policies to the international accounting standards applicable, so about these entities we can say that they are still in the beginning.

We consider it important to mention in this context the fact that, through the Reports of Analysis of the Implementation of Standards and Codes (ROSC) prepared by the World Bank, after 2000, for many countries (including Romania) a special emphasis was placed on "accountability of the Government of each country in terms of regulation of financial reporting". The justification for this responsibility, which is considered not to be delegated by governments, is as realistic as possible: "Because negative information, as a rule, is not published on its initiative."

We are now in a situation where we can say: The public nature of the information provided by the financial reports is regulated, the information is available, and can be researched and analyzed without limitations. The natural question that can be asked now is the following: Who and how can act to correct non-compliances in the application of IFRS by public interest entities?

In our opinion, an answer to the identified issue is ensured by the provisions of the "Regulation (EU) No. 537/2014 on specific requirements regarding the statutory audit of the public interest companies", and financial auditors have an essential role in this regard.

We remind that, within the meaning of the national legislation, in the category of legal persons of public interest are included not only the companies whose securities are admitted to trading on a regulated market, the entities from the regulatory area of the NBR, respectively of Financial Supervisory Authority (ASF) but also the national companies; companies with full or majority state ownership; autonomous companies.

We emphasize that neither the accounting regulations, nor those relating to the statutory audit make any ranking of the entities in terms of the usefulness of the information provided through the financial statements prepared by them and, consequently, neither in terms of the need to provide users with reliable information.

3. Conceptual approach of the accounting system reform in general and of the financial reporting especially in Romania

3.1. The process of harmonization, convergence, and compliance with the European directives

We consider it necessary to point out that the initial major concerns regarding the draft packages of basic normative acts were focused on European legislation given the natural and immediate steps to open negotiations for the signing of the EU Association Agreement with Romania, an event that took place effectively on February 1st, 1993.

A realistic and careful analysis shows that the fundamental reforms of the Romanian accounting system and a gradual but sure process of assimilation of the accounting concepts and principles provided by the European Directives underlying the financial statements began with the elaboration of the first accounting regulations of implementation of the Accounting Law no. 82/1991.

We must also mention the fact that, over time, there were some assessments (in our opinion quite simplistic and lacking sufficient documentation) according to which Romania would have opted after 1990 for the French accounting model – and after 2000 – for the Anglo-Saxon model, assessments that were probably based on the fact that Romania has signed bilateral agreements with the respective states and has benefited from the collaboration and direct support of renowned specialists in the accounting field in these countries. In this context, it should be clarified that the main funding for the major reforms of the pre-accession period was realized through the PHARE program, and an essential conditionality of this funding was that the reforms benefiting from those funding should be based on conceptual approaches in line with European Directives.

The complexity of such a profound reform of the accounting field required a staging in correlation with: the evolution of the legal framework specific to the competitive economy, with the development of the

accounting profession, with the creation of the capital market, and last but not least with the dynamics of the business environment, and followed by the White Paper on Romania's accession to the European Union.

The opening of the negotiation process for our country's accession to the European Union in February 2000, including for Chapter 5 "Company Law", found the field of accounting and auditing at a high level of compliance with European Directives, so that on November 28, 2001, negotiations for this chapter have been provisionally closed precisely as a result of major developments in legislation found in the evaluation process.

3.2. Developments marked by the increasing interest in the quality of information provided by financial reporting

An important stage in the evolution of Romanian accounting was marked by the ratification of the Loan Agreement between Romania and IBRD on the project of institutional development of the private sector in Romania, signed on June 17, 1999 (Government Ordinance No. 40/5 August 1999, published in the Official Gazette of Romania No. 382/12 August 1999).

To agree, a particularly rigorous diagnostic analysis on the state of development of national regulations in the field of accounting and financial audit was carried out based on a specialized assistance agreement concluded between the Ministry of Public Finance and the UK Government – through Know How Fund – project agreed by the international financial bodies in the perspective of the negotiations for the ratification of the mentioned agreement, an agreement that marked the opening of the privatization process of the big Romanian companies.

The assessments concerned both the level of compliance with the European Directives in the accounting field, at that date, but also the capacity to gradually implement international accounting standards and the General Framework for the preparation and presentation of financial statements developed by the IASC and also the need to create the profession of financial auditor – a profession that applies international auditing

standards and complies with all IFAC's rules of ethical and professional conduct. Last but not least, the regulation of liability for the opinion expressed by the auditor regarding the financial statements prepared based on the application of international accounting standards was considered, doubled by the accountability of those responsible for preparing financial reports as real guarantees to ensure the quality of financial information.

The "PSAL" loan agreement provided a set of major conditions in the field of accounting and financial audit, supported by the need to meet the requirements of international investors interested in the extensive privatization process to be launched in Romania.

Among those conditions we mention:

- the implementation of the International Accounting Standards and the General Framework for the preparation and presentation of the financial statements elaborated by IASC, by all the representative companies of the Romanian economy;
- the establishment of the Romanian Chamber of Financial Auditors, whose members can apply the International Auditing Standards in the audit missions of the financial statements prepared based on the International Accounting Standards;
- the support by the Romanian Government of these actions and the approval through the Government Ordinance of the establishment of the Chamber of Financial Auditors;
- providing comprehensive training programs for professionals involved in the implementation of International Accounting Standards and International Auditing Standards, respectively.

In this context, at the end of 1999, the "Plan for the further development of the Romanian accounting system" was elaborated, whose objectives were pursued with priority:

- improving the quality of financial reporting in terms of addressability of national accounting regulations to two broad categories of users, namely:
 - users who will apply the provisions of the Accounting Law and accounting regulations based on European Directives;

- users who will apply the provisions of the Accounting Law, the provisions of the International Accounting Standards, and the General Framework for the preparation and presentation of financial statements developed by the IASC. In this regard, in 2000 the IASC authorized the publication of the official version of the International Accounting Standards in Romanian;
- finalizing the accounting regulations for the two major categories of users and preparation for the launch of the "pilot" phase for the experimental application of International Accounting Standards on a representative sample of entities;
- launching the national training program for staff involved in the implementation of International Accounting Standards, a program funded by the World Bank;
- launching by the Ministry of Public Finance of the first practical guide for the implementation of the International Accounting Standards, published in 2001;
- launching of the first practical guides on the reconciliation between fiscal and accounting results based on European Directives and International Accounting Standards (initially approved by the Decision of the Central Fiscal Commission, then by the Accounting Advisory Board).

The launch of this program took place during the first National Conference on accounting with the theme "ACCOUNTING OF THE THIRD MILLENNIUM", organized in Bucharest in June 2000 attended by prestigious European and international personalities in the accounting field representing: the European Union; the International Accounting Standards Committee (IASC); the European Federation of Experts (EFE); The International Federation of Professional Accountants (IFAC), representatives of the professions from France, Great Britain, Belgium, etc. with which the Romanian professionals had a very good collaboration, in time. The unanimous assessments were positive, highlighting the progress already made in the field of accounting reforms and appreciating the new objectives launched as being in full agreement with the concerns at the European level.

The process of implementing this set of measures has been carried out, as is well known, in stages between

2001 and 2005, to ensure the time needed to properly assimilate the new regulations with a high degree of complexity and to make it possible the appropriate adaptation of the behavior generated by the specific cultural tradition and by mentality.

The financial scandals that have shaken the United States, Italy, and the Netherlands since 2000, and the economic crises that have erupted in Asia and South America have raised major concerns for the World Bank in assessing the consistency of financial reporting regulations and their implementation, in many countries, including Romania. Those assessments comprised in the Reports of Analysis of the Implementation of Standards and Codes (ROSC) were addressed to state Governments and included clear objectives for the short and medium-term directions of action in the accounting field.

The World Bank's assessment of Romania started in 2002, was materialized in the "ROSC" report issued in May 2003 and highlighted the main progress made by Romania in the last decade (1993-2002) on accounting regulations and their implementation, and recommended some steps to be taken to further improve the quality of the information provided by the financial reports.

It should be noted that for the field of accounting the year 2002 remained as a reference year marked by the approval of Regulation (EC) no. 1606/2002 of the European Parliament and the Council since 19 July 2002 on the implementation of International Accounting Standards.

That Regulation aimed at adopting and using International Accounting Standards in the European Union, to ensure a high level of transparency and comparability of the consolidated financial statements of listed companies. To achieve this objective, listed companies under the law of a Member State were required to prepare their consolidated accounts (for each financial year beginning on or after 1st January 2005) under the International Accounting Standards in force. At the same time, some derogations were regulated in the sense that the Member States could provide that the requirements for the application of International Accounting Standards for listed companies to be applied from the financial year 2007 onwards for those entities that were covered by the Regulation.

In the new context generated by the provisions of Regulation EC No. 1606/2002, as well as based on the

fact that in 2003 the European Council established the timetable for Romania's accession to the EU, respectively the completion of negotiations in 2004, the signing of the Accession Treaty in 2005 and the effective accession on 1st January. 2007, all subsequent reforms had to be subordinated to these major objectives.

Based on the objectives of the field of up-to-date accounting and the World Bank's recommendations formulated by "ROSC", in the first part of 2004, Romania adopted the "Country Action Plan for Improving Financial Reporting". The strategic objective of this plan was "Fulfillment before 2007 – the year of Romania's accession to the EU – the main accounting and financial audit obligations arising from the *acquis communautaire*" and several major objectives have been identified for achieving this target, including:

- ensuring that national accounting and auditing legislation complies with the *acquis communautaire*;
- the program for the implementation of International Accounting Standards and International Auditing Standards that target public interest entities and correlate with their effective ability to apply them;
- identifying and promoting concrete measures to improve public oversight and transparency, as well as corporate governance.

At the end of 2004, the Romanian Government approved the "Strategy for the Implementation of the Country Action Plan for Improving Financial Reporting", a document that placed major emphasis on holding all institutions and stakeholders accountable for the quality of the information provided by financial reporting.

As an institution responsible for the implementation, monitoring, and periodic reporting to the Government of the achievement of the Plan's objectives, the Accounting Advisory Board was nominated, which in 2005 became (by GD No. 401/2005) the Accounting and Financial Reporting Council (CCRF), within which also included representatives of financial market and capital market surveillance bodies and which had clear objectives for monitoring measures to increase the confidence of users of accounting information in financial reporting and corporate governance. The main purpose of this body was "to develop on a national scale the competence and capacity of the institutions involved in the implementation of the

acquis communautaire and international standards in the field of accounting and regulated professions, as they are taken over in national law".

A summary assessment of developments in the field in correlation with the objectives set by the Strategy shows the major interest for compliance, as follows:

- In 2005, the CCRF approved the accounting regulations under European Directives, applicable from 1st January 2006 approved by Order of the Minister of Public Finance, regulations on which, following the evaluations carried out, the European Commission ruled on the high degree of compliance of them.
- In the first part of 2006, CCRF approved the Strategy on the application of IFRS in Romania, in correlation with the provisions of Regulation 1606/2002 of the European Parliament and the Council. Thus, by the Order of the Minister of Public Finance no. 1121/2006 on the application of International Financial Reporting Standards provided that, starting with the financial year 2007, companies whose securities are admitted to trading on a regulated market prepare consolidated financial statements under IFRS. Also, according to the same order, the consolidated financial statements of credit institutions had to be prepared under IFRS.
- The other public interest entities (as initially defined by OMPF No. 907/2005 on the approval of categories of legal persons applying accounting regulations compliant with International Financial Reporting Standards, respectively accounting regulations compliant with European Directives, and then by Accounting Law) could prepare consolidated financial statements either based on national regulations based on the 7th EEC Directive or based on IFRS.
- Concerning the preparation of individual annual financial statements of public interest entities, they had a legal obligation to apply national regulations based on European Directives, but also had the option to prepare a separate set of IFRS compliant financial statements for their own needs of information of users other than state institutions. An example in this respect is represented by the credit institutions for which, in 2006, the CCRF together with the NBR launched

a questionnaire in which the answers received showed the following:

- for the financial year 2005, several banking institutions representing about 74% of the total assets of the banking system prepared a separate set of financial statements under IFRS (and these financial statements were prepared by restatement under the guidance of financial auditors);
- to the question of the extent to which credit institutions would be prepared to apply IFRS as a basis for accounting (including the preparation of individual financial statements), several banking institutions representing about 72% of the assets of the banking system answered positively.

However, the major problems generated by the adaptation of software, the reconciliation of accounting and tax treatments, the natural requirements to strengthen the training of staff involved led to a prudent approach so that in 2010 by Order No. 9/16 July 2010 was approved the application of IFRS as the basis for the accounting by credit institutions for the annual individual financial statements starting with the financial year 2012, an order that also established a list of general and specific objectives that had to be ensured for this purpose.

In 2012, the IFRS program as a basis for accounting continued with entities whose securities were admitted to trading on a regulated market (OMPF No. 881/2012 and OMPF No. 1286/2012, respectively), according to which with the financial year 2012, the respective entities applied IFRS to the preparation of the individual financial statements.

A few years after the establishment of the obligation for the respective entities to apply accounting regulations compliant with IFRS, by the Order of the Ministry of Public Finance No. 666/2015 on the application of the Accounting Regulations compliant with the International Financial Reporting Standards by some entities with state ownership, it was established that the legal entities included in the appendix to the

mentioned order to apply the respective regulations starting with the financial year 2018.

We consider that the establishment of such a requirement is proof of the need for transparency of the financial information reported by those entities.

In 2014, as a result of the Government Emergency Ordinance No. 79/2014 for the amendment and completion of the Accounting Law no. 82/1991, CCRF ceased its activity in all respects in the field of accounting of economic entities and regulated professions, remaining valid special attributions regarding the field of public accounting. The decision was based on the fact that its objectives regarding the accounting of economic entities and regulated professions were achieved.

At that time, some of the CCRF members considered it necessary to hold a public "final" meeting to present and disclose the results. However, the option was for a "quiet" end, considering that this is how all the activity took place during over 22 years of activity of the Accounting Advisory Board and then of the CCRF: "quietly, with professionalism, responsibility and in an assumed collaboration".

We allow ourselves to take advantage of the fact that it is the "anniversary year for the accounting profession" and to address – albeit belatedly – congratulations and thanks to all those who have made their professional contribution in all that have meant "reform of the accounting system in Romania".

We also pay a pious tribute and bow our heads with respect and deep gratitude to our beloved colleagues, friends, and good collaborators who, in recent years, have left this world, perhaps to solve equally important reforms in other unknown worlds.

We use this opportunity to bring our thanks to the faculty of the West University of Timisoara for the beautiful initiative to mark in 2018 – with the CENTENNIAL OF THE GREAT UNION both achievements and contributions to accounting reform in our country. Thank you, dear professors, we appreciate you and confess that we have always felt close to you and we want to remain "close" to each other in our profession.

We can rightly say that all the achievements in the field so far have been largely possible through the fact that we have collaborated and, therefore, we have been close.

To the natural question "if we started a reform of the field now, could we be as close?" We cannot answer because in time "vanity" began to appear in our profession, too. Maybe it's good to remember that the importance of everything we do now will only be decided by time.

4. Perspectives in the field of accounting and financial reporting

It is well known that to understand the present and future of a field it is necessary to first understand its past. That is why this retrospective on the evolution of the field of accounting over the last thirty years has allowed us to make an objective analysis of the present to see if we are prepared for the challenges of its future. We can ask the natural question: *Is there a possibility that the future of accounting will bring new challenges?* The answer is: definitely "YES", as the information provided by the accounting is essential for the decision-making process. We consider relevant in this context the statements of Prof. Emil Horomnea, according to which "In a world of competition, great wealth is measured in the quantity and quality of information held at a given time" (Emil Horomnea, "Scientific social and spiritual dimensions in accounting", Moldavia Tipo Publishing House, 2010, p. 180).

To be able to identify the perspectives of the field, we intend to briefly summarize the current situation of the regulations underlying the obtaining of accounting information.

a) Categories of entities that apply IFRS as a basis for accounting:

- credit institutions (starting with the financial year 2012);
- companies whose securities are traded on a regulated market (starting with the financial year 2012);
- entities authorized, regulated, and supervised by the FSA in the Financial Instruments and Investments sector (starting with the financial year 2016);
- the entities provided by OMPF no. 666/2015 (starting with the financial year 2018).

b) Entities that prepare for informational purposes a set of individual annual financial statements under 2IFRS, by reprocessing the information determined according to the provisions contained in the national accounting regulations. This category of entities includes non-banking financial institutions that until 2022 – inclusive – apply IFRS for information purposes, and starting with the financial year 2023 will apply IFRS as a basis for accounting.

c) The other categories of economic actors apply National Accounting Regulations under the relevant European Directives.

It is surprising that among the entities that apply IFRS as a basis for accounting we do not find the field of insurance, a field which through the activity profile implies an urgent need for quality financial information precisely because of the inherent risks to which it is subject. In these circumstances, we ask ourselves: *Why is not at least a timetable made public indicating the prospects in this regard, after many years of extra-accounting application of IFRS in this field, in parallel with the accounting regulations compliant with European Directives?* We consider that an authorized response in this regard can only come from the Financial Supervisory Authority.

Given the situation presented above, it is found that Romania compared to other EU Member State is at this time in the general trend of applying IFRS.

Regarding the application in the E.U. of IFRS, we mention that at this date we do not have information according to which there is any intention to amend Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Accounting Standards, to extend the application of IFRS. We note that the latest official EU situation in this regard concerns information from December 2018 and can be found on the European Commission site, at: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/implementation/implementation-eu-countries_en.

The document published on that website highlights the options made by the Member States regarding the extension of the use of IFRS to the preparation of the annual (individual) financial statements of listed companies and the annual and consolidated financial statements prepared by entities other than listed ones.

Consequently, regarding the application of IFRS, future concerns (in the short and medium-term) at the national level will follow the rigorous application of the current standards and for their future amendments will ensure the timely issuance of amending and supplementing regulations – as were, for example, OMPF No. 3189/2017 and 3456/2018, which provided the legal framework for the application of the recent IFRS.

Initiatives at the level of European structures for the next period refer to the reporting by entities of information on sustainability. Thus, in April 2021 the European Commission published the proposal for a Directive on Corporate Sustainability Reporting (CSRD), which complements Directive 2014/95 / EU (known as NFRD – Non-financial Reporting Directive), the provisions of which have been taken up in due time in our national legislation.

The draft Directive launched in April this year and to be applied from 1st January 2023 proposes the amendment of four basic European normative acts in the field of accounting and auditing: Accounting Directive 2013/34/EU; Directive 2006/43/EC on statutory audit and EU Regulation no. 537/2014 on specific requirements regarding the audit of public interest entities; Directive 2004/109/EC on the harmonization of transparency obligations.

The revision of the provisions of these basic regulations on accounting and auditing of entities was generated by the deficiencies found by the EC services regarding the reporting of non-financial information, as well as the need to connect their provisions with other European acts adopted in the field, such as European Ecological Pact; European Regulation on the establishment of a framework for facilitating sustainable investments, etc.

We exemplify in this regard the provisions of the Accounting Directive in force (Directive 2013/34/EU) which does not require the presentation of financial statements and the directors' report in a digital format, and users of sustainability information expect that such information can be found in a digital format.

Specifically, the draft Directive proposes that companies prepare their financial statements and directors' reports in XHTML (single electronic reporting format). These proposals are connected with the provisions of art. 3 of the Delegated Regulation of the Commission (EU) 2018/815 of 17 December 2018 and art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

A separate article proposes to amend the Audit Directive (Directive 2006/43/EC) so that it meets all sustainability reporting requirements, including the auditor's assessment of how the audited entity's reporting on sustainability complies with EU Regulation no. 2020/852, mentioned above.

Regarding the Audit Committee of public interest entities, it will also have concrete attributions regarding the sustainability reporting process.

Last but not least, the provisions of Regulation (EU) no. 537/2014 (Audit Regulation) are supplemented with references to consultancy service providers for the preparation of sustainability reporting when statutory auditors or audit firms provide sustainability reporting services.

As mentioned before, the changes presented above are due to take effect on January 1st 2023 covers all categories of entities, regardless of the applicable accounting reporting framework, so that all authorities with responsibilities in the field of accounting regulation and statutory audit are to be involved and ensure understanding, takeover in the field regulations and proper application of the new provisions of the mentioned Directive.

We consider that it is fully accepted that the regulation is part of a whole represented by authorities, profession, customers, and third parties, and a good collaboration between them is for the benefit of all.

5. Relevant aspects regarding IFRS implementation in Romania

We can say with certainty that after 2000 the concern for the application of IFRS in Romania was continuous, and the main reason consisted precisely in the nationally and internationally recognized values of the financial reports prepared on their basis. As previously shown, the major complexity of this approach has determined that in Romania, as in other countries that have adopted IFRS as a basis for accounting, the strategy applied should be based on a responsible and prudent approach. We detail some aspects in this regard:

- entities that have applied IFRS as a basis for accounting have been required to prepare financial statements under IFRS for several annual financial years by restating the information presented in the financial statements prepared under national

regulations. The differences between the accounting treatments compliant with national regulations and IFRS had to be presented for each element of the financial statements, together with the necessary explanations.

- IFRSs as a basis for accounting have been applied together with the Accounting Law and other applicable legal provisions (Chart of Accounts and content of each account; examples regarding the reflection in the accounting of different new or high difficulty operations; the layout of the transposition of account balances; situation including the results of the restatement on IFRS of the information from the accounting organized according to the national regulations). The elements of support in the application of IFRS were appreciated as welcome by all those involved in this process and were intended to contribute to ensuring a high degree of transparency and comparability of the annual financial statements.

To carry out this paper, we set out to analyze – based on legal public reporting – the current situation of the application of IFRS by 12 entities whose securities were traded on the Bucharest Stock Exchange on 31 December. 2020 (Appendix 1) and 12 entities from the list – Appendix to OMPF no. 666/2015 (Appendix 2). The analysis was based exclusively on the information publicly presented by these entities on the financial reports for 2020, which is also the reason why we did not intend to make concrete references in our examples.

1. The results of the research on the first category, namely the entities whose securities were traded on the Bucharest Stock Exchange and for which the year 2020 represented the 8th financial year for the application of IFRS as a basis for accounting can be summarized as follows:

- for 11 entities The Audit Reports expressed the opinion of the compliance of the financial statements with the provisions of IFRS and the presentation of a true and fair view of the financial position, performance and cash flows concerning the applicable regulatory framework; for a single entity the auditors expressed an opinion with reservations;
- the significant accounting policies presented by these entities in the "Notes" inform users of the measurement bases used for the items in the annual financial statements in a systematic and intelligible manner, indicating the relevant accounting standards.

These accounting policies are updated, including references to recently applied standards (IFRS2-15 and IFRS 16);

- the statutory auditors have identified and highlighted some key issues in some of these entities, namely:
 - a) the existence of risks regarding the recognition of income and receivables, generated mainly by the following:
 - sales to customers in a difficult financial situation (bankruptcy, insolvency), with the risk of non-recovery of receivables and with some difficulties in applying professional reasoning in estimating adjustments for their depreciation;
 - sales with a policy of granting commercial discounts for which there is a risk that their estimation at the end of the year will be difficult;
 - the existence of pressures that the management of some of the respective entities feel for the realization of the budgeted revenues;
 - b) the existence of risks generated by difficulties in applying professional judgement regarding the estimation of the recovery period of the book value of some fixed assets and, respectively, in the estimation of the provisions for decommissioning. These risks are mainly generated by the fact that the recoverability of the value of the operating assets of some entities is determined by the estimation of natural reserves (oil, natural gas, etc.), for the exploitation of which these assets are held.

In conclusion, it can be appreciated that the experience gained by this category of entities in the process of theoretical and practical acquisition of IFRS has allowed to provide relevant information based on which their users can make decisions.

II. Following the analysis of the annual financial statements prepared by the entities included in the list annexed to OMPF no. 666/2015 (Annex 2) and the audit reports issued on their basis at the end of 2020, given that that year represented the 3rd financial year for the application of IFRS as a basis for accounting, is at least a worrying situation if we consider the following:

- for six entities (out of the 12 analyzed) the audit opinion is with reservations, and for two entities the opinion is contrary;

- the accounting policies presented by some entities are general, not adapted to the specifics of the unit, without references to the relevant accounting standards, and not updated concerning the accounting standards applicable in that year (for example IFRS 15; IFRS 16; IFRS 9);
- the existence of erroneous valuation rules that have been identified in the accounting policies presented in the "Notes" to the financial statements (for example references to standards are erroneous; reference is made to the provisions of the regulations approved by OMPF No. 1802/2014; revenue recognition are those in IAS 18, regarding the time when the seller transferred to the buyer the main risks and rewards of ownership of the goods and can correctly estimate the value of the income);
- some of these entities are heavily dependent on their revenues from resources coming from state authorities. Sometimes the revenues from the budget subsidies exceed by more than 200% the revenues realized from the carried-out activities;
- the existence of major litigation pending in some entities, for which the volume of provisions that would be established and the related expenses recognized, represent significant values;
- risks identified concerning the professional judgement adopted by some entities in this category concerning the accounting of concession contracts;

In the current legal context, the accounting of concession contracts that entities with majority state ownership have concluded with state authorities is a key issue for all factors involved in financial reporting;

- the financial auditors also highlighted the existence of risks, sometimes major, regarding the recognition of revenues due to the pressure felt by the management of some entities for the realization of budgeted revenues and the probability of non-collection from state institutions, of revenues represented by subsidies;
- in the case of entities with branches in the territory, the financial auditors identified risks arising from the lack of integrated information systems to obtain operational and essential information from those branches;
- the existence in the records of some of the analyzed entities of some lands for which they do not yet hold property titles.

In these circumstances, the credibility of the information presented in the financial statements is considered to be affected by non-compliance with certain requirements of the IASB General Framework regarding the quality of financial information, with major effects on:

- a) business continuity, in the context in which all 12 analyzed entities mentioned that they prepared the annual financial statements based on the premise that they will operate in the foreseeable future, based on the fact that the areas in which they operate are strategic for the national economy and is of social importance. The auditors of some of these entities expressed reservations in the audit reports regarding the continuity of the activity based on "significant uncertainties" found and which are generated by: significant annual and cumulative accounting losses; negative net asset values in the last three years for some of the entities; current liabilities that exceed current assets and other causes.
- b) comparability of information, in some entities, which in the opinion of financial auditors could be affected as a result of corrections determined by the application of IFRS 9, the reason for which they expressed reservations about the comparability between the information presented in the financial statements of 2019 and 2020.

In conclusion, the existing problems in these entities reflect in our opinion major dysfunctions whose causes can be:

- the exercise without the necessary coherence of corporate governance at the level of these entities, if we take into account the frequent changes of their management, including possible political interferences in the respective appointments;
- the lack of follow-up or insufficient follow-up by the Audit Committees of their major objective regarding the monitoring of the financial reports;
- poor professional training or disinterest in the executive management of entities that have such shortcomings in the final reporting

Given that the financial auditors warned in some audit reports about: the non-compliance of the financial statements with IFRS; the risk of

discontinuity of the activity of some entities; non-compliance with the provisions of the Companies Law regarding the level of equity and others, we consider that some measures must be taken to protect both the entities concerned and financial auditors who in turn are subject to major risks in case of bankruptcy of strategic entities.

First of all, we consider that the provisions of Regulation (EU) no. 537/2014 it is transmitted to the body with equivalent functions.

The Regulation also provides that the Member States may lay down additional requirements as to the content of the supplementary audit report.

Based on the above, some measures can be initiated to streamline the communication of financial auditors with those responsible for corporate governance and the Audit Committees of public interest entities, which are not provided with supervisory bodies, to avoid shortcomings such as presented, the consequences of which may be among the most worrying.

Last but not least, it may even be necessary to promote an attitude of discouraging the lack of interest in IFRS financial reporting by public interest entities, including by announcing reservations when concluding contracts for the provision of audit services until obtaining assurances of compliance with the rules of the audit mission and, as a result, of avoiding implicit risks.

We believe that it is important to bring to the fore the "up-to-date" challenges of our profession – the digitization process – which is considered a "real opportunity" in redefining all practical activities and procedures specific to the accounting and financial audit profession. In our opinion, digitalization represents not only a real challenge for the profession but also the way to achieve the objective regarding the quality of the information provided by the accounting reporting. However, the risks arising from the digitization process cannot be ignored, and to avoid them, concrete and well-managed actions are needed to standardize specific procedures and activities, to optimize information flows, to secure the programs/sets of software used, and last but not least, the consolidation of continuous professional training – with the well-defined aim of removing some of the barriers still felt.

6. Conclusions and future research approaches

The evolutions of the national legislative framework, the assimilation of all the professional and ethical standards and norms specific to the accounting field ensure the basic pillars for positioning the accounting profession in our country, in full agreement with the evolutions and concerns "up-to-date" at both European and international level.

We can notice the preoccupations of the professional bodies for the permanent adaptation of the content of the programs regarding the continuous professional training with the elements of actuality and interest for the profession; the interest is shown for increasing the scientific and practical content of specialized publications and for organizing joint workshops of the liberal professions, actions that through the thematic content and the quality of the debates enjoyed a real interest from the participants.

We also suggest a set of proposals, that we believe can bring a contribution to a better understanding of the issue in the accounting field and a better solution of complex issues, strictly topical and long-awaited by stakeholders, for example:

- Periodical organization of workshops aimed at the integrated approach to financial reporting, with a program containing all the underlying elements (on accounting recognition, accounting assessment, and estimation, professional judgement, representative tax issues for financial reporting, etc.). In our opinion, such consistently prepared and well-publicized professional events are not only necessary but also highly anticipated by stakeholders.
- The agreement by the professional bodies Certified Accountants, then Body of Expert and Licensed Accountants of Romania (CECCAR), The National Association of Romanian Authorized Valuers (ANEVAR), Chamber of Financial Auditors of Romania (CAFR), and The Chamber of Tax Consultants from Romania (CCF), on the integrated approach of the whole issue of financial reporting, within their continuous professional training programs. To achieve this objective, we believe that a set of topics should be selected by common agreement to be prepared, debated, and covered in all the aspects mentioned above.

- Strengthening professional cooperation and collaboration – in the interest of the profession – between the professional bodies that form the "accounting profession" in Romania. The complexity and magnitude of the natural changes generated by European and international concerns for increasing the quality of financial information for decisions can only be addressed in a full availability of involvement in cooperation and collaboration, and the successful examples of this approach are innumerable.
- Given the relatively recent Wirecard event, on which more and more analysts point out the similarity with the collapse of the American group Enron in early 2000, we consider it necessary and propose the organization of joint regular actions, with a well-defined theme, of The Authority for the Public Oversight of the Activity of the Statutory Audit (ASPAAS), The Body of Expert and Licensed Accountants of Romania (CECCAR), Chamber of Financial Auditors of Romania (CAFR), The Authority of Financial Supervisory (ASF), and The Bucharest Stock Exchange (BVB), intended to assess the extent to which Romania is protected against large-scale fraud risks, including falsifications of financial reports. We also take into account the fact that the European Commission pays special attention to this European event, and its Vice-President stated that he could also consider changing the transparency rules for listed companies and of accounting rules.
- Encourage and further support of scientific research in the field of accounting and financial audit, including by professional bodies in the field under the well-established European and international practice. We mention that such a punctual proposal was launched and accepted during the paper works of the previous Congress of Chamber of Financial Auditors of Romania (CAFR) and the concrete solution of this action is expected. The complexity of financial reporting fully justifies the scientific investment in an integrated research approach, and a rigorous process of establishing the criteria for candidates' access (for the first year can start with a single candidate) can ensure the expected scientific results as following the research.

Instead of an EPILOGUE

This paper is an approach generated by the authors' concerns to bring to the forefront of accounting and

financial audit the real course of its reform, achieved in over three decades of profound and necessary changes.

Institutional actions and approaches are reflected – exactly as they unfolded and ultimately led to the current status of compliance with European and international rules and practices.

Throughout the paper, we highlighted the fact that, permanently, the final goal was aimed at the quality of the information provided by the accounting reporting. To ensure that the aim was achieved, we completed our research with an up-to-date objective observation on the quality of the information provided by accounting reporting on several public interest entities that are representative of the Romanian economy.

A correct answer to this approach presupposes a realistic and pertinent reflection on all the expected desideratum.

That is why our final message to the accounting profession as a whole and to the financial auditors, in particular, supervisors, audit committees, and not only is the following: Dear professionals, implement exactly and responsibly the accounting legislation and regulations specific to the field of activity.

We consider that this is the only way to provide stakeholders with real and quality information and to protect the Romanian economy from major events whose consequences can be difficult to estimate.

Last, but not least, by dealing with problems with maximum accountability, you protect your much deserved reputation, earned through hard work and professionalism.

REFERENCES

1. Accounting Law no. 82/1991, republished in The Official Gazette of Romania, 1st Part, no. 454/18 June 2008, with subsequent amendments and additions;
2. Companies Act No. 31/1990, republished in The Official Gazette of Romania, 1st Part, no. 1066/17 November 2004, with subsequent amendments and additions;
3. Government Ordinance no. 65/1994 regarding the management of the activity of accounting expertise and of the authorized accountants, republished in The Official Gazette of Romania, 1st Part, no. 13/ 8 January 2008, with subsequent amendments and additions;
4. Government Ordinance no. 75/1999 regarding the financial audit activity, republished in The Official Gazette of Romania, 1st Part, no. 598/ 22 august 2003, with subsequent amendments and additions;
5. Law No. 162/2017 regarding the statutory audit of individual annual financial statements and consolidated financial statements, published in The Official Gazette of Romania, 1st Part, no. 548/12 July 2017, with subsequent amendments and additions;
6. Government Ordinance no. 40/1999 for the ratification of the Loan Agreement between Romania, represented by the Ministry of Finance, and the International Bank for Reconstruction and Development on the project of institutional development of the private sector, amounting to USD 25 million, signed in Washington D.C. on June 17, 1999, published in the Official Gazette of Romania, Part I, no. 382 of 12 August 1999;
7. Government Decision no. 575/1992 on the experimentation of the new accounting system and the establishment of the Accounting Advisory Board, published in the Official Gazette of Romania, Part I, no. 259 of 16 October 1992;
8. Government Decision no. 1449/2002 on the approval of the Regulation for the organization and functioning of the Accounting Advisory Board, published in the Official Gazette of Romania, 1st Part, no. 933 of 19 December 2002;
9. Government Decision no. 2170/2004 on the approval of the Country Strategy for the implementation of the Country Action Plan for the improvement of financial reporting in Romania and some measures for the organization of the Accounting Advisory College, published in the Official Gazette of Romania, Part I, no. 1232 of 21 December 2004;
10. Government Decision nr. 401/2005 on the establishment of the Accounting and Financial Reporting Council through the reorganization of the Accounting Advisory Board, published in the Official

- Gazette of Romania, Part I, no. 409 of 16 May 2005, with subsequent amendments and additions;
11. The Order of the Minister of Finance no. 403/1999 for the approval of the Accounting Regulations harmonized with Directive IV of the European Economic Communities and with the International Accounting Standards, published in the Official Gazette of Romania, 1st Part, no. 480 of 4 October 1999;
 12. The Order of the Minister of Public Finance no. 94/2001 for the approval of the Accounting Regulations harmonized with Directive IV of the European Economic Communities and with the International Accounting Standards, published in the Official Gazette of Romania, 1st Part, no. 85 of 20 February 2001;
 13. The Order of the Minister of Public Finance no. 1121/2006 on the application of International Financial Reporting Standards, published in the Official Gazette of Romania, 1st Part, no. 602 of 12 July 2006, with subsequent amendments and additions;
 14. The Order of the Minister of Public Finance no. 881 of 25 June 2012 on the application by companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards, published in the Official Gazette of Romania, 1st Part, no. 424 of 26 June 2012, with subsequent amendments and additions;
 15. The Order of the Minister of Public Finance no. 1775/2004 on some regulations in the field of accounting, published in the Official Gazette of Romania, 1st Part, no. 27 and 27a of 10 January 2005;
 16. The Order of the Minister of Public Finance no. 1752/2005 for the approval of accounting regulations in accordance with European directives, published in the Official Gazette of Romania, 1st Part, no. 1080 of 30 November 2005;
 17. The Europe Agreement of 1 February 1993 establishing an association between Romania, of the one part, and the European Communities and their Member States, of the other part, signed in Brussels on 1 February 1993, ratified by Law No. 20/1993, published in the Official Gazette of Romania, Part I, no. 73 of 12 April 1993;
 18. Treaty of Accession of Romania and Bulgaria to the European Union, published in the Official Journal of the European Union, L series, no. 157 of 21 June 2005;
 19. Regulation (EC) No Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of International Accounting Standards, published in the Official Journal of the European Union, L series, no. 1606/2002 of 19 July 2002 on the application of International Accounting Standards, published in the Official Journal of the European Union, L series, No 1606/2002. 243 of 11 September 2002;
 20. Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for statutory audits of public interest entities and repealing Commission Decision 2005/909/EC, published in the Official Journal of the European Union, L series, no. 158 of 27 May 2014;
 21. Fourth Council Directive of 23 July 1978, pursuant to Article 54 (3) (g) of the Treaty, on the annual accounts of certain types of companies (78/660/EEC), published in the Official Journal of the European Communities, L series, No. 222 of 14 August 1978;
 22. Seventh Council Directive of 13 June 1983 on the basis of Article 54 (3) (g) of the Treaty on consolidated accounts (83/349/EEC), published in the Official Journal of the European Communities, L series, No. 193 of 18 July 1983;
 23. Eight Council Directive of 10 April 1984 on the basis of Article 54 (3) (g) of the EEC Treaty on the authorization of persons responsible for the statutory review of accounting documents (84/253/EEC), published in the Official Journal of the European Communities, L series, No. 126 of 12 May 1984;
 24. Directive 2013/34/UE of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC in the Official Journal on 29 June 2013.
 25. Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory

audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC, published in the Official Journal of the European Union, L series, No 2006/43/EC of the European Union, no 157 of 9 June 2006, with subsequent amendments and additions.

26. European Commission, accessed online at: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/implementation/implementation-eu-countries_en.
27. European Commission, accessed online at: https://ec.europa.eu/info/publications/210421-sustainable-finance-communication_en#csrd

Appendix 1. Entities whose securities were traded on December 31st, 2020

No.	Company
1.	ALRO GROUP
2.	ANTIBIOTICE SA
3.	COMPET SA ROMÂNIA
4.	SOCIETATEA ENERGETICA ELECTRICA SA
5.	SN NUCLEARELECTRICA SA
6.	SOCIETATEA OIL TERMINAL SA CONSTANTA
7.	SOCIETATEA OMV PETROM SA
8.	SC ROMCARBON SA
9.	SOCIETATEA NAȚIONALĂ DE GAZE NATURALE "ROMGAZ" SA
10.	ROMPETROL RAFINARE SA
11.	SOCIETATEA NAȚIONALĂ DE TRANSPORT DE GAZE NATURALE "TRANSGAZ" SA
12.	ZENTIVA SA

Appendix 2. Entities with majority state ownership (OMPF No. 666/2015)

No.	Company
1.	COMPANIA NAȚIONALĂ AEROPORTURI BUCUREȘTI SA
2.	SOCIETATEA NAȚIONALĂ DE TRANSPORT FERVIAR DE CĂLĂTORI „CFR CĂLĂTORI” SA
3.	SOCIETATEA NAȚIONALĂ DE TRANSPORT FERVIAR DE MARFĂ „CFR MARFĂ” SA
4.	CNAIR SA
5.	SOCIETATEA COMPLEXUL ENERGETIC HUNEDOARA SA
6.	SOCIETATEA COMPLEXUL ENERGETIC OLTENIA SA
7.	ELECTROCENTRALE BUCUREȘTI SA
8.	S.P.E.E.H. HIDROELECTRICA SA
9.	SOCIETATEA COMERCIALĂ DE TRANSPORT CU METROUL "METROREX" SA
10.	SOCIETATEA NAȚIONALĂ DE RADIOCOMUNICAȚII SA
11.	REGIA AUTONOMĂ REGISTRUL AUTO ROMÂN SA
12.	SOCIETATEA NAȚIONALĂ A SĂRII "SALROM" SA