
Benefits and challenges regarding the IFRS implementation: lessons from the emerging economies

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Abstract

The interest shown by the users of financial statements for the convergence or harmonization process in terms of financial reporting has increased in the last decades, not only in the case of the developed countries, but also for the emerging economies. Although analysed in publications in terms of financial reporting less than the developed countries, the emerging countries have become a point of interest, being identified by the international investors as potential areas for extending their businesses. The purpose of this article is to identify the global context regarding the adoption of the International Financial Reporting Standards (IFRS) or the alignment of the national standards with the IFRS and to establish some benefits and obstacles met during this process. The analysis focuses on several emerging countries with experience in IFRS implementation and it also brings forward the case of Romania, which is treated separately.

This paper represents a contribution to the literature in terms of IFRS implementation within the emerging countries, which is still limited, and it focuses on the case of Romania, recently affected by changes of the local regulations for the financial reporting. There are a small number of studies regarding the situation in Romania after the entering into force of the new financial reporting regulations.

The research methodology was based on literature review in order to acquire and to centralize some conclusions regarding the experience of IFRS application in several emerging countries. The focus on the case of Romania consists of collecting information using questionnaire, followed by centralizing and interpreting the results in order to outline some conclusions.

Keywords: IFRS, emerging economies, benefits, obstacles, Romania.

JEL Classification: M41, M48

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