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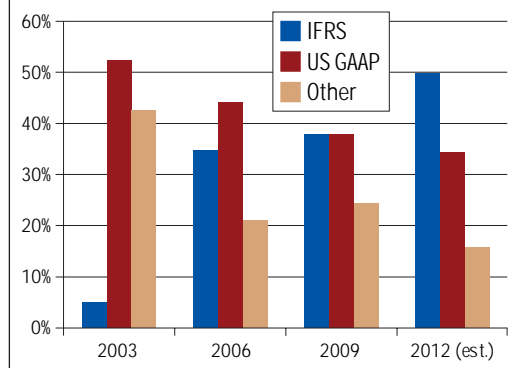
THE ISSUE

The financial crisis has generated heated debate on the economic role of fair-value accounting and other IFRS principles. Underlying these controversies are differing views about the mission and governance of accounting standard-setters, and how standards interact with other public policy instruments.

POLICY CHALLENGE

The IFRS's defining promise is cross-border comparability of financial statements, but the aim of global harmonisation will not be fully achieved in the next few years. Given the varying pace and modalities of local IFRS adoption, the IFRS Foundation must focus on standards quality and the integrity of its brand. Standard-setting should serve investors' information

Accounting standards used by the world's 500 largest listed companies



needs, leaving other public-policy goals to be met through local assessment by individual jurisdictions. The Foundation's governance and funding framework should become more accountable to the global investor community. Active monitoring of local implementation practices should encourage the gradual convergence of 'IFRS dialects' towards a true single global reporting language.

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ACCOUNTABILITY AT THE CORE: A
CONSISTENT GOVERNANCE
FRAMEWORK

