

# Introducing and Transformation of the EU-Law related to accounting into Federal Republic of Germany : Clarification of the “German Accounting Strategy”

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A purpose of this article is to clarify current “German Accounting Strategy”.

The current German accounting system is the “German Commercial Code” (HGB) applied from 1985 ; and it is affected by the European Accounting Directives (EGR).

Furthermore, the IFRSs (“International Accounting Standards” (IAS) the “International Financial Reporting Standards” (IFRS) and the Interpretations of the “International Financial Reporting Interpretations Committee” (IFRIC)) were introduced into Germany through the IFRSs.

The EU obliged Germany to apply IFRSs for listed companies from 2005 through so-called the “IAS-Directive”. And both the Directives and the Regulations of accounting are parts of EU-Law. In addition, EU-Law is issued according to the “EU Accounting Strategy”.

This article hypothesizes that Germany has an original strategy for “Convergence” of the “EU Accounting Strategy”. In other words Germany has taken the initiative in the EU, whereas the current German accounting system is affected by the “EU Accounting Strategy”. At the same time Germany has an impact on the accounting standards prescribed by the EU-Law.

Therefore, this article classifies the change of the German accounting system into three historical phases, and analyzes them according the definition of the “German original accounting strategy” as “German accounting strategy” and hereby clarifies many elements within the strategy of German accounting system so that the hypothesis of a “consistent German Accounting Strategy will be validated.