

The Progress of Accounting Standards in the Emerging Economies —the Case of Malaysia—

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This paper is intended to explain the relationship of the progress of accounting standards and the economic development in the emerging economies, using Malaysian accounting standards as that case. In Malaysia, professional accounting bodies had set accounting standards, but since 1998, the independent accounting standards setter, namely Malaysian Accounting Standards Board (MASB) have set accounting standards. Traditionally, Malaysian accounting standards have been set based on International Accounting Standards (IASs). MASB had set 33 MASB Standards from 1998 to 2003 when Malaysian economy had been

developed so rapidly. They were also based on IASs, but we can find some differences between MASB standards and IASs. MASB standards had alternative accounting methods such as the deferral of some costs or valuation of some assets in historical cost. It seems that those were related to Malaysian economic plans and the structure of industries realized by those plans at that time. The result of this study demonstrates the possibility that the accounting standards in the emerging economies can deviate from IASs/IFRS (International Financial Reporting Standards) at a particular phase of the economic development.