The European Union and IFRS's Adoption: France

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This paper examines accounting standards' reforms in France since the adoption of International Financial Reporting Standards (IFRS). It also proposes an attempt to reassess the significance of convergence.

By adopting IFRS, France has achieved a huge reform for the convergence of standards on consolidated financial statements. Meanwhile, the standard-setter also implemented a gradual convergence policy with IFRS regarding individual accounting standards. Such reforms resulted in increasing the diversity of accounting standards at the domestic level. Several categories of accounting regulation now coexist in France: IFRS, domestic consolidation standards, domestic accounting standards for individual accounts, disclosure standards for listed companies and for non-listed companies ...

Because of the strong relationship with the Commercial Law and Tax Law, small and medium companies face additional costs due to this domestic diversity. Nevertheless, after the financial collapse, French companies have had increasingly negative perceptions of fair value accounting, claiming for more stability and reliability of the accounting system. As a result, France has changed its convergence policy in order to better reflect internal interests and reduce the weight of IFRS influence.

The main contribution of this paper is to reexamine the influence and the problems of the convergence of accounting standards with IFRS in the case of France.