

# The Adoption of the Internationally Converged Accounting Standards in the EU : Review and Outlook

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There is growing interest on how the accounting standards will be converged world-widely and the EU receives some attention from academic point of view especially after its introduction of the IAS regulation. The standard setting process of EU's adoption of IAS/IFRS can be examined from the following theoretical framework ; that is, one considers it a political process where "the IAS/IFRS as adopted by the EU" on the basis of lobbying costs and benefits accrued from creating internationally converged standards. The examinations of motives of various parties are considered important for this process.

Drawing this framework, this paper examines the factors influenced the choice of IAS regulation by the EU accounting setters. This paper provides an international review of accounting regulations within and between member countries,

and identifies the key trend setting and considers potential future directions in the region. To this aim, using interpretative approach, two dimensions are focused on : the sources and design of the regulatory text, and the financial reporting behavior of multinational European companies. The related European directives and regulations, the studies on reported earnings difference, as well as the effects of standards issued by IASB to member countries' ones are highlighted. The findings indicate that even if the IAS/IFRS solutions are generally accepted under the new regulation, the flexibility of regulation seems to be indicated in the area of fair value, intangibles and impairment. And, whether the participation of emerging nations to the EU would not reduce the differences in the new regulation is also referred.