

'IFRS at crossroads'

EBF event 'IFRS at crossroads' underlines need for public and private sector to cooperate on implementation

The European Banking Federation staged its annual accounting panel discussion in Brussels on 8 July 2014, gathering delegates from the IASB, regulators, the banking industry and the accounting profession. This event was aimed at discussing three topical issues including the upcoming standard on financial instruments (IFRS 9), the interdependencies of the financial reporting framework with the regulatory framework and the future of financial reporting standards.

The IASB is on the right track to deliver the expected reform of international financial reporting standards. The publication of IFRS 9 due in a couple of weeks is the first step of a challenging implementation process where interpretation may be substantially influenced by several players including regulators.

"While regulatory and financial reporting objectives differ, their interaction needs to be understood and the results of the financial reporting reform should be considered when designing the regulatory capital framework. An early understanding of regulatory impacts will help banks assess the broader commercial implications of the accounting change." says Henning Goebel, the EBF Accounts Committee chair and moderator of the panel discussion.

While there will be challenges including the likely differences between IFRS and US financial instrument standards, it seems both the public and private sector are committed to working together to achieve a common understanding and ensure consistent implementation of the standard in compliance with the agreed principles. It is crucial that accounting standards are of high quality and enduring.

