

What is the Motivation to a Move to IFRS

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Abstract

Even the most cursory review of international accounting literature will lead the user to the conclusion that domestic financial accounting standards developed in relation to a very specific set of country specific standards. The seminal literature in international accounting establishes the manner in which financial accounting standards developed in countries and attempts to group these developments in order to have classification systems for grouping certain like-countries together.

In this research paper, the authors will investigate the move of much of the world to IFRS. Given this unprecedented conversion, from self regulation of domestic financial regulation to the outsourcing of this regulation to international financial reporting standards (IFRS), which factors that were historically important in the historic development of accounting standards remain significant in the change to IFRS? Conversely if none of these factors remains relevant, what does this say about the current state of financial reporting worldwide.