Analysis of the G20 IFRS profiles

To assess progress toward the goal of global accounting standards, the IFRS Foundation is developing profiles of application of IFRS Standards in individual jurisdictions. View the jurisdiction profiles. The following observations relate to the information in the profiles of the members of the Group of Twenty (informally, the G20), which is the premier forum for international cooperation on the most important issues of the global economic and financial agenda. The G20 brings together finance ministers and central bank governors from the following 19 countries plus the European Union: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, the Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, and the United States of America.

1. Commitment to a single set of global accounting standards. All of the G20 jurisdictions have made a public commitment supporting a single set of high quality global accounting standards.

2. Commitment to IFRS Standards. The relevant authority in all of the G20 jurisdictions has made a public commitment to IFRS Standards as the single set of global accounting standards.

3. Adoption of IFRS Standards. 15 of the G20 jurisdictions have adopted IFRS Standard for all or most companies in their public capital markets. Of the remaining 5 G20 jurisdictions:
   a. one (Japan) permits IFRS Standards on a voluntary basis for domestic companies (as of June 2016 companies accounting for 29% of the Tokyo Stock Exchange market capitalisation have adopted or plan to adopt IFRS Standards);
   b. three (China, India and Indonesia) have adopted national standards that are substantially in line with IFRS Standards but have not announced a plan or timetable for full adoption.
   c. One (the United States) does not permit domestic securities issuers to use IFRS Standards, but it does permit foreign securities issuers to use IFRS Standards as issued by the IASB, and approximately 500 companies do so.

4. Scope of use of IFRS Standards. Of the 15 G20 jurisdictions that have adopted IFRS Standards for all or most publicly traded companies, 12 require IFRS Standards for all; 2 (Mexico and Argentina) require IFRS Standards for all other than financial institutions; and 1 (Canada) allows US GAAP for some and has deferred IFRS Standards for some others. All of the 15 G20 jurisdictions that have adopted IFRS Standards for all or most publicly traded companies also permit IFRS Standards for all or most non-publicly traded companies.

5. Few modifications. The G20 jurisdictions made very few modifications to IFRS Standards, and the few that were made are generally regarded as temporary steps in the jurisdiction’s plans to adopt IFRS Standards. There are 5 EU jurisdictions in the G20. While the EU did make an optional ‘carve-out’ from IAS 39 that the EU itself describes as ‘temporary’, the ‘carve-out’ has been applied by fewer than two dozen banks out of the 8,000 IFRS companies whose securities trade on a regulated market in Europe. Saudi Arabia added several disclosures and eliminated several accounting policy options but did not otherwise change IFRS Standards.

6. Auditor’s report. The audit reports in 10 of the 15 G20 jurisdictions that have adopted IFRS Standards for all or most publicly traded companies refer to conformity with IFRS Standards. The audit reports in the other 4 G20 jurisdictions using IFRS Standards refer to conformity with IFRS as adopted by the European Union. The audit report in Saudi Arabia refers to conformity with IFRS as endorsed in Saudi Arabia.

7. IFRS for SMEs Standard. 5 G20 jurisdictions have adopted the IFRS for SMEs Standard.

This page was last updated 30 March 2016.