

STUDIES LITERATURE ABOUT DEVELOPMENT STANDARD ACCOUNTANCY INTERNATIONAL AS WELL AS CHALLENGES AND OPPORTUNITIES FACED

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Abstract

This Studies aiming For explore development International Financial Reporting Standards (IFRS) as well challenges and opportunities that arise in the process of adoption and implementation in various countries. Since formation International Accounting Standards Committee (IASC) from 1973 to transformation become International Accounting Standards Board (IASB) in 2001, IFRS has experience development rapid which contributes to harmonization standard global accounting. Objectives The main IFRS is increase transparency, accountability and market efficiency through report finances that can compared to in a way international. Research This use method studies literature with analyze various source like books, journals scientific, and reports study For identify trends, challenges and benefits IFRS implementation. Analysis results show that although IFRS adoption faces challenge significant, such as difference culture accounting, system diverse laws, as well as condition economy varies from country to country, the benefits offered are enormous. For companies, IFRS allows more access wide to international markets and reduction cost of capital. For investors, IFRS improves trust and convenience in compare report finance across countries. While that, the regulator gets benefit from higher standards consistent For supervision. Research This recommend stakeholders interest For overcome obstacle in implementation of IFRS with flexible and collaborative approach, so objective main global transparency and accountability can achieved. With Thus, IFRS does not only become tool technical, but also a driving force main for integration global economy.

Keywords: International Financial Reporting Standards (IFRS), Application of IFRS, International Accounting Standards Committee (IASC), International Accounting Standards Board (IASB)

Introduction

In the era of globalization that continues develop fast, standard accountancy international like International Financial Reporting Standards (IFRS) play a role as connector the main thing that unites practice accounting in various countries. Standards This designed For strengthen transparency, accountability and uniformity in reporting finance, so that support current investment across countries and assist stakeholders interest in make decision more economy informative and accurate. With the existence of IFRS, it is hoped report finance company can understood and compared in a way more easily by investors, creditors, and other interested parties, without hindered by differences practice accounting that exists in each country.

Although benefit from implementation standard accountancy international is very significant, travel going to adoption full and effective implementation no without challenges. Various countries face obstacle like difference culture business, regulation local, as well as readiness source Power man in understand and apply standard said. Implementation standard accountancy international, such as IFRS, opens various opportunity significant, including improvement Power competitiveness in the global market, convenience access to international capital markets, as well as strengthening investor confidence in transparency and accountability report finance. However, the transition going to standard This is also faced with a number of challenges that are not lost big. Countries that have not adopting IFRS must consider complexity in integrate standard This with system accounting that has been there is, especially related with difference principles, training source Power humans, and change infrastructure technology. Besides that, transition this also requires adjustment regulation local and readiness adaptation from various sector economy. Therefore that 's important for those countries For evaluate in a way careful No only benefit term long, but also challenges significant that must be overcome in the IFRS adoption process in order to maximize the potential offered by the standard international.

Developed by the International Accounting Standards Board (IASB), IFRS has adopted by more from 140 countries, including Europe, Australia and Canada. Several countries in Asia and South America

have also accept standard This. However, the challenge in IFRS implementation includes difference concepts and practices accountancy national, shortage source power, and tendency conservative in taking decision accounting. Besides that, more regulation stricter and more supervision intensive also becomes challenge big . Limitations in training and education proper accounting is also a factor affecting ability professional accountancy in implementing IFRS effective.

Standard accountancy international (SAI) has develop rapid since the introduction of IFRS by the IASB. The purpose from development. This is for create transparency and consistency in report finances around the world. However implementation standard This also presents various challenges and opportunities that need to be analyzed For understand the impact to practice global accounting (Nobes et al., n.d.). The adoption of IFRS in Europe in 2005 marked step big going to harmonization standard global accounting.

Global Development of IFRS

Phenomenon International Financial Reporting Standards (IFRS) have give birth to wave significant changes in practice accounting worldwide. At the global level, IFRS plays a role as the aligning connector diverse practice accounting, allows company from various countries to compile report transparent and uniform finance. This is No only build investor confidence, but also supports investment across countries, so that push more integration strong in the international capital market. However, the journey going to IFRS adoption does not always smooth, many countries face challenge in adapt practice local they with standard international this, including difference culture business and readiness source Power man.

The development of International Financial Reporting Standards (IFRS) globally is journey long going to harmonization Language world accounting. It started from initiative nine countries in 1973 that joined in the International Accounting Standards Committee (IASC), standards purposeful accounting to standardize reporting global finance begins pioneered. Establishment The International Accounting Standards Board (IASB) in 2001 became moment important, with task main For formulate and publish International Financial Reporting Standards (IFRS). Since moment that, IFRS adoption is increasing rapidly, driven by globalization economy, capital market integration, and needs transparency report finance. When this, more from 140 countries have adopting IFRS, making it Language global business that facilitates investment and trade international. Although Thus, the challenge like consistency application and relevance to issue latest Still need overcome through solid global cooperation.

Development of IFRS in Indonesia

The adoption of IFRS in Indonesia is a gradual process driven by commitment. Government For increase quality reporting finance and power competition economy national. The following is phases important IFRS development in Indonesia:

1.) Phase Introduction (1990s):

In the period This, Indonesia began know Standard Accountancy International (SAI), but Not yet There is effort adoption formally. Standard Accountancy Financial Accounting Standards (SAK) in force Still refers to the Anglo-Saxon influenced accounting model practice in the United States.

2.) Early Adoption Phase (2000-2009):

2002: The Bond Indonesian Accountants (IAI) issued an Exposure Draft of IFRS- based SAK as step beginning convergence.

2008: IAI launched an IFRS education and socialization program for professionals. accounting and actors business. Constraint main in phase This is readiness infrastructure, resources Power human, and understanding still limited.

3.) Phase Implementation Limited (2010-2011):

2012: Indonesia as a whole official adopting applicable IFRS- based SAI effective For company open, state-owned enterprises, and companies certain that meet criteria. Challenges in the phase This covering cost high implementation, lack of power competent professionals, and the difference interpretation in implementation.

4.) Phase Improvement Implementation (2012-Present):

Focus on strengthening framework regulation, development capacity profession accountants, and stakeholder education for increase quality SAI implementation. IAI in general periodic do revision and updating of SAK for in harmony with IFRS development. Effort For expand adoption of SAI to non-public companies and SMEs also continue done.

In Indonesia, the adoption of IFRS has started with objective For increase quality report financial and attractive interest investment foreign. Government together institution related, such as Financial Services Authority (OJK) and the Association Indonesian Accountants (IAI), has try push implementation standard This with publish various rules and guidelines supporters. Although Thus, the challenge still there is,

including difficulty in training and understanding regarding IFRS among professional accounting. However, behind challenge mentioned, the implementation of IFRS in Indonesia offers opportunity big for company For increase Power compete and expand access to the international market. In context this is important for institution education and training For play a role active in prepare power skilled accounting, so that Indonesia can utilise the potential of IFRS for push growth sustainable economy.

Implementation International Financial Reporting Standards (IFRS) for business Micro, small and medium enterprises (MSMEs) in Indonesia face a number of constraint (Kurniawan et al., 2023). A research conducted by the Association Indonesian Accountants (IAI) shows that level readiness and willingness of MSMEs to adopt standard accountancy new Still doubtful. Some problem main identified includes:

- 1.) The lack of recording finance: Many MSMEs in Indonesia do not own system recording adequate finances, which makes they difficulty in switch to IFRS (Siti Samsiah & Nadia Fathurrahmi Lawita, 2017).
- 2.) Limitations source Power Humans: MSMEs often do not own Enough power capable work compile report finance, which is condition important For IFRS (Siti Samsiah & Nadia Fathurrahmi Lawita, 2017)implementation
- 3.) Condition unique economy and regulations: MSMEs in Indonesia must face condition specific economic and regulatory issues, which can become challenge in adopt IFRS (Viana et al., n.d.).

Method

Study This adopt method studies literature or study library. Approach This done with analyze various source relevant references, such as books, journals scientific, articles, reports research, as well as source trusted others who discuss about:

- 1.) IFRS Developments: Covering history, evolution and development latest, including role organization such as IASC and IASB.
- 2.) Challenge IFRS Implementation: Identifying and analyzing various constraint in its implementation in various countries, including difference culture, system law, and capacity source Power.
- 3.) Opportunities Presented by IFRS: Examining benefit adoption of IFRS for various *stakeholders* like companies, investors, regulators and the economy in a way overall.

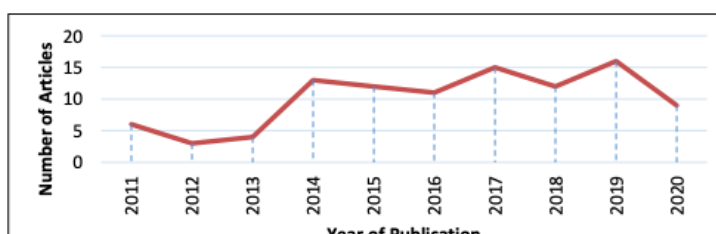
The process of collecting and analyzing data in studies literature This done with stages as following:

- 1.) Keyword Determination: Identifying relevant keywords such as " Standard Accountancy International," "IFRS," " Challenges Implementation," " Opportunities Adoption," and so on.
- 2.) Search Literature: Browsing source library relevant through journal databases, research portals, organizational websites accounting, and resources credible other use the keywords that have been determined.
- 3.) Selection and Assessment Literature: Filtering and selecting the most relevant literature with Topic study based on criteria inclusion and exclusion.
- 4.) Extraction and Synthesis Information: Taking information important from every source selected literature and synthesize it For answer question study.
- 5.) Analysis and Discussion: Analyzing information that has been collected For identify themes, patterns, and conclusions related developments, challenges and opportunities of SAI.
- 6.) Through method studies literature, research This make an effort For give understanding comprehensive about development Standard Accountancy International along with the challenges and opportunities it faces based on review to literature and research that has been There is.

Studies literature This use method study qualitative with approach descriptive For to study development standard accountancy international, especially IFRS, as well as challenges and opportunities faced by countries in the process of adoption and implementation. With do analysis deep to various existing research and literature, it is hoped that can obtained better understanding comprehensive about dynamics that occur in the world of accounting international. Research This also attempts give recommendation for stakeholders interests, including government, practitioners accounting, and academics, to optimize implementation standard accountancy international in order to achieve objective greater transparency and accountability both at the global level.

Results and Discussion

Search results literature show that the development of International Financial Reporting Standards (IFRS) has through journey long and dynamic. Starting in 1973 with the formation of the International Accounting Standards Committee (IASC), an effort harmonization accountancy globally starting



pioneered (Nobes et al., n.d.). Transformation significant occurred in 2001 with the birth of the International Accounting Standards Board (IASB) which is responsible answer publish International Financial Reporting Standards (IFRS). The adoption of IFRS globally is increasing. Massive, driven by globalization economy, capital market integration, and needs transparency report finance.

Figure 1. Trends Development of IFRS Articles

Source: (Sukmawati & Pujiningsih, 2022)

Improvement significant in amount publication annual recorded in 2014 (see Figure 1). The phenomenon This possibility big influenced by policies issued by the Minister of Empowerment State Apparatus and Bureaucratic Reform (PAN RB) No. 17 of 2013, as well as Regulation of the Ministry of Research, Technology and Higher Education No. 92 of 2014. Second regulation This obligatory academics For publish article in journal scientific nationally and internationally accredited as one of the condition promotion position academic lecturer. Purpose main policy This is For push improvement publication scientific and disseminating results study use give contribution to the taking decision. Besides that, spike publication it is also possible influenced by implementation IFRS convergence which started at the beginning in 2012, which became Power pull alone for academics For do study after implementation IFRS standards in general effective.

Challenge IFRS Implementation

Literature identify a number of challenge main in IFRS implementation, including:

- 1.) Difference Culture and Legal Systems: Diversity culture and systems law between countries give rise to difference interpretation and application of IFRS (Golrida Karyawati Purba & Indra Halim, 2023).
- 2.) Limitations Source Power: Readiness infrastructure, availability power competent professionals, and costs high implementation, especially for developing countries and companies small medium, to be constraint significant.
- 3.) Complex and Evolving Standards: IFRS continues to evolve growing and growing complex demand adaptation sustainable, which can burdensome company in its implementation (Rahayuningsih, 2022).

Opportunities Presented by IFRS

Beside challenges, IFRS adoption also brings various opportunities, namely:

- 1.) Increase Quality Report Finance: IFRS encourages transparency, comparability and quality information finance, which is useful for investors and other stakeholders (Noviana et al., 2024).
- 2.) Facilitate Global Capital Market Access: IFRS adoption makes it easier company access global capital markets and attract foreign investors (Iskandar & Sarastika, 2023).
- 3.) Improving Corporate Governance: IFRS encourages implementation of good corporate governance and improving accountability company (Gea & Putra, 2022).
- 4.) Confession More Assets Good: With IFRS, companies can acknowledge and measure asset No tangible like patents and devices soft with more good, which can increase mark recorded company (Pramesti et al., 2024).

Discussion

This study confirm that IFRS development plays a role important in create Language global accounting. Although adoption of IFRS has expanding , challenges implementation still there is. Effort sustainable required For increase quality source Power human, strengthen framework regulation, and building adequate infrastructure.

Study furthermore can focused on studies empirical testing impact adoption of IFRS in various countries with context different economies and cultures. Research comparative is also important For identify practice best IFRS implementation and formulating appropriate strategies For overcome existing challenges .

Conclusion

Studies literature This show that development International Financial Reporting Standards (IFRS) have reach progress significant in create Language global accounting. Since the formation of the IASC in 1973 until adoption of IFRS wide moment this, effort harmonization accountancy has push transparency and comparability report finance around the world.

Although Thus, the implementation of IFRS is still face various challenges, including difference culture and systems law, limitations source power, and complexity standards that continue developing. Obstacles This need overcome through strengthening capacity source Power human, perfection framework regulation, and support adequate infrastructure.

On the other hand, the adoption of IFRS provides opportunity significant for companies and countries to increase quality report finance, facilitating global capital market access , and strengthening governance company.

Study empirical more carry on required For to study impact adoption of IFRS in various context economy and culture, as well as identify effective strategies For overcome challenge implementation. Study literature This use method study qualitative with approach descriptive For to study development standard accountancy international, especially IFRS, as well as identify challenge significant that needs to be addressed by countries in the adoption and implementation process standard such as difference infrastructure accounting, obstacles regulation, limitations source Power humans, and resistance culture to change.

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