



Adoption of International Financial Reporting Standards and Financial Reporting Quality: An Analysis

*Solomon Odoh

Department of Accounting, Faculty of Administration, Ahmadu Bello University Zaria, Kaduna State, Nigeria

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Abstract

The adoption of International Financial Reporting Standards (IFRS) has been a pivotal development in global financial reporting, aiming to enhance comparability, transparency, and quality of financial statements. As the world becomes increasingly interconnected, the need for a unified accounting language has become more pressing. The impact of IFRS adoption on financial reporting can also vary depending on the specific country and institutional context. This study which examines the impact of IFRS adoption on financial quality, utilized secondary sources of data from existing literature. Content analysis was used to analyze the data, which provides insights into the effects of IFRS adoption. One of the key findings is that IFRS adoption leads to improved financial reporting quality by promoting transparency, comparability, and consistency. Based on this finding, it is recommended that companies invest in training programs to enhance the understanding and application of IFRS among financial professionals. The study concludes that IFRS adoption has a significant impact on accounting quality, and its benefits can be maximized with proper implementation and training.

Keywords: IFRS Adoption, Accounting Quality, Transparency, Comparability, Financial Reporting.

INTRODUCTION

The adoption of International Financial Reporting Standards (IFRS) has been a significant development in the accounting profession globally. IFRS provides a common language for financial reporting, enhancing comparability and transparency across companies and countries (Barth et al., 2017). The impact of IFRS adoption on financial reporting has been extensively studied, with research suggesting that it leads to improved financial statement quality (Chen et al., 2018). One of the primary benefits of IFRS adoption is increased comparability of financial statements across companies and borders (De George et al., 2016). This comparability is particularly important for investors and analysts who need to make informed decisions based on financial statements. IFRS adoption has also been associated with improved transparency and disclosure in financial reporting (Hope et al., 2018). By providing a standardized framework for financial reporting, IFRS helps to reduce the complexity and variability of financial statements, making it easier for stakeholders to understand and interpret financial information. The adoption of IFRS has also been linked to improved earnings quality, with research suggesting that IFRS adopters tend to have lower levels of earnings management (Ahmed et al., 2013).

The benefits of IFRS adoption are widely recognized, and many countries have adopted or are in the process of adopting IFRS. According to a recent study, the adoption of IFRS has led to improved financial reporting quality and increased comparability of financial statements across countries (Kvaal & Nobes, 2018). Furthermore, research has suggested that IFRS adoption can lead to increased foreign investment and improved access to capital markets (Florou & Pope, 2018). The impact of IFRS adoption on financial reporting can also vary depending on the specific country and institutional context. For example, research has suggested that the benefits of IFRS adoption may be greater in countries with weaker accounting standards and regulatory frameworks (De Franco et al., 2018). Overall, the adoption of IFRS has been a significant development in the accounting profession, with research suggesting that it leads to improved financial reporting quality and increased comparability of financial statements.

Recent studies have also examined the impact of IFRS adoption on specific industries, such as banking and finance. For example, research has suggested that IFRS adoption has led to improved financial reporting quality and increased transparency in the banking sector (Leventis et al., 2018). Additionally, studies have examined the impact of IFRS adoption on small and medium-sized enterprises (SMEs), with research suggesting that IFRS adoption can lead to improved financial reporting quality and increased access to capital (Atanasovski et al., 2019). Effects of IFRS adoption on financial reporting has been extensively studied, with research suggesting that it leads to improved financial statement quality, increased comparability, and improved transparency. While there are challenges associated with IFRS adoption, the benefits are widely recognized, and many countries have adopted or are in the process of adopting IFRS.

STATEMENT OF THE PROBLEMS

The adoption of International Financial Reporting Standards (IFRS) has been a significant development in the accounting profession globally. However, despite its benefits, IFRS adoption has also been associated with several problems. One of the primary concerns is the complexity of IFRS, which can make it challenging for companies to implement and comply with the standards (Judge et al., 2018). According to a recent study, the complexity of IFRS can lead to increased costs and difficulties for companies, particularly those with limited resources (Brown et al., 2018).

Another problem associated with IFRS adoption is the lack of consistency in application across companies and countries. Despite the aim of IFRS to provide a standardized framework for financial reporting, research has suggested that there can be significant variations in the application of IFRS across companies and countries (Kvaal & Nobes, 2018). This can lead to reduced comparability of financial statements, which is one of the primary benefits of IFRS adoption. The adoption of IFRS can also be influenced by various factors, including the quality of accounting education and training, the strength of regulatory frameworks, and the level of enforcement (Brown et al., 2018). In countries with weak regulatory frameworks or inadequate enforcement, the adoption of IFRS may not lead to improved financial reporting quality. According to a recent study, the effectiveness of IFRS adoption can be significantly influenced by the strength of the regulatory environment (De George et al., 2016).

Furthermore, the adoption of IFRS can also be associated with increased costs for companies, particularly those that need to transition from local Generally Accepted Accounting Principles (GAAP) to IFRS. Research has suggested that these costs can be significant, and may outweigh the benefits of IFRS adoption for some companies (Ahmed et al., 2013). The adoption of IFRS can also lead to challenges for investors and analysts who need to understand and interpret financial statements prepared under IFRS. According to a recent study, the adoption of IFRS can lead to increased complexity and difficulties for investors and analysts, particularly those who are not familiar with the standards (Leventis et al., 2018). The impact of IFRS adoption on financial reporting can also vary depending on the specific industry or sector. For example, research has suggested that the adoption of IFRS can have different implications for companies in the banking and finance sector compared to those in other sectors (Leventis et al., 2018).

Moreover, the adoption of IFRS can also be influenced by cultural and institutional factors, which can affect the application and interpretation of the standards. According to a recent study, cultural and institutional factors can influence the adoption and implementation of IFRS, and can lead to variations in financial reporting quality (Ding et al., 2017). The adoption of IFRS can also lead to challenges for small and medium-sized enterprises (SMEs), which may not have the resources or expertise to implement and comply with the standards. Research has suggested that SMEs may require specialized guidance and support to adopt and implement IFRS effectively (Atanasovski et al., 2019).

The adoption of IFRS can also lead to increased audit complexity and risk, particularly for auditors who need to audit financial statements prepared under IFRS. According to a recent study, the adoption of IFRS can lead to increased audit risk and complexity, particularly in areas such as fair value measurement and impairment testing (Griffith et al., 2018). The adoption of IFRS can also lead to challenges for regulators and standard-setters, who need to ensure that the standards are effective and consistent across companies and countries. Research has suggested that regulators and standard-setters need to work closely with companies and auditors to ensure that IFRS is adopted and implemented effectively (Brown et al., 2018).

The adoption of IFRS has been associated with several problems, including complexity, lack of consistency, increased costs, and challenges for investors and analysts. According to recent studies, these problems can be significant, and may outweigh the benefits of IFRS adoption for some companies.

RESEARCH QUESTIONS

1. How does IFRS adoption affect the transparency of financial reporting?
2. Does IFRS adoption improve financial statement comparability across companies and countries?
3. What is the impact of IFRS adoption on the cost of financial reporting?

OBJECTIVES OF THE STUDY

The broad objective of this study is to ascertain the impact of IFRS adoption on financial reporting quality. While the specific objectives are as follows:

1. To examine the impact of IFRS adoption on the transparency of financial reporting.
2. To investigate the effect of IFRS adoption on financial statement comparability.
3. To analyze the impact of IFRS adoption on the cost of financial reporting.

HYPOTHESES

1. IFRS adoption increases the transparency of financial reporting.
2. IFRS adoption improves financial statement comparability.
3. IFRS adoption increases the cost of financial reporting.

LITERATURE REVIEW

The concept of International Financial Reporting Standards (IFRS)

International Financial Reporting Standards, commonly referred to as IFRS, are a set of accounting standards designed to bring consistency and transparency to financial reporting across the globe. Developed by the International Accounting Standards Board, IFRS provides a common language for financial reporting, enabling companies to present their financial statements in a way that's easily understandable and comparable, regardless of their country of origin (IASB, 2018). The main objective of IFRS is to ensure that financial statements are presented in a fair and transparent manner, providing stakeholders with a clear picture of a company's financial position and performance. IFRS achieves this by promoting consistency, comparability, and transparency in financial reporting. This enables investors, analysts, and other stakeholders to make informed decisions about a company's financial health and prospects (García Osma et al., 2023).

One of the key benefits of IFRS is that it facilitates cross-border investment and transactions. By providing a common accounting language, IFRS makes it easier for companies to list their securities on foreign exchanges and attract foreign investment. This, in turn, promotes economic growth and development. IFRS also improves transparency and disclosure, promoting better governance and accountability (Salah, 2020) [5]. IFRS is used by over 144 jurisdictions worldwide, including the European Union, Australia, and many countries in Asia and South America. However, the United States is a notable exception, following its own Generally Accepted Accounting Principles, or GAAP. Despite this, there have been efforts to converge IFRS and GAAP, with the aim of developing a single set of high-quality global accounting standards (IASB, 2018). The adoption of IFRS requires significant judgments and estimates, which can introduce a level of uncertainty and variability into financial statements. Companies need to understand the principles and interpretations underlying each standard and apply them consistently and accurately (García Osma et al., 2023).

The International Accounting Standards Board is responsible for developing and issuing IFRS standards. The board operates under the IFRS Foundation, an independent organization dedicated to developing and promoting IFRS (IFRS Foundation, 2023). Recent developments in IFRS include the introduction of new sustainability disclosure standards, such as IFRS S1 and IFRS S2. These standards aim to promote transparency and consistency in sustainability reporting, enabling investors and other stakeholders to make informed decisions about a company's sustainability performance (IFRS Foundation, 2023). Overall, IFRS plays a critical role in promoting transparency, accountability, and efficiency in financial markets. By providing a common language for financial reporting, IFRS facilitates cross-border investment and transactions, and enables companies to present their financial statements in a way that's easily understandable and comparable. With its widespread adoption and ongoing development, IFRS is likely to remain a key component of financial reporting for years to come (García Osma et al., 2023; Salah, 2020).

Effects of IFRS Adoption on Accounting Quality

Measuring the effects of IFRS adoption on accounting quality has been a topic of interest for researchers and stakeholders. Studies have shown that IFRS adoption is associated with improved accounting quality, including reduced earnings management and increased value relevance (García Osma et al., 2023; Salah, 2020). The accounting quality of IFRS-adopting firms improves between the pre-adoption and post-adoption periods, suggesting that IFRS adoption has a positive impact on financial reporting. The metrics used to measure accounting quality include earnings quality, value relevance, and comparability. Researchers have used various methods to examine the impact of IFRS adoption on accounting quality, including analysis of financial statements and capital market data (García Osma et al., 2023). The results of these studies provide insights into the effects of IFRS adoption on financial reporting and capital markets.

One of the key benefits of IFRS adoption is improved comparability of financial statements. IFRS provides a common language for financial reporting, enabling stakeholders to compare financial statements of companies from different countries (IASB, 2018). This comparability is essential for investors and analysts who need to make informed decisions about companies' financial health and prospects. Studies have also examined the impact of IFRS adoption on accounting

quality in specific countries. For example, research on IFRS adoption in South Africa found that accounting quality improved after IFRS adoption, with increased earnings quality and value relevance (Njoroge, 2022). Similar studies have been conducted in other countries, including Nigeria, where IFRS adoption has been found to have a positive impact on accounting quality (Otekunrin et al., 2021).

The effects of IFRS adoption on capital markets have also been studied. Research has found that IFRS adoption can lead to improved capital market liquidity, as measured by bid-ask spreads (Kim et al., 2020). However, the impact of IFRS adoption on capital markets is more significant when enforcement mechanisms are strong. Measuring the effects of IFRS adoption on accounting quality requires consideration of country-specific factors and firm-specific factors. The impact of IFRS adoption can vary depending on the country's institutional framework, regulatory environment, and cultural factors (García Osma et al., 2023). Researchers need to control for these factors when examining the impact of IFRS adoption on accounting quality. Recent studies have continued to explore the impact of IFRS adoption on accounting quality. Research has found that IFRS adoption is associated with improved accounting quality, including reduced earnings management and increased value relevance (García Osma et al., 2023; Salah, 2020). These findings suggest that IFRS adoption has a positive impact on financial reporting and capital markets.

Overall, the evidence suggests that IFRS adoption has a positive impact on accounting quality. By promoting consistency, comparability, and transparency in financial reporting, IFRS adoption enables stakeholders to make informed decisions and facilitates cross-border investment and transactions. As more countries adopt IFRS, the benefits of IFRS adoption are likely to continue to grow (García Osma et al., 2023)

THEORETICAL FRAMEWORK

The International Accounting Standards Board (IASB) framework for Financial Reporting, developed by the International Accounting Standards Board, provides a suitable theoretical framework for understanding the impact of IFRS adoption on financial reporting. This framework serves as a foundation for financial reporting, ensuring consistency, comparability, and transparency in financial statements worldwide (Ball, 2006). According to the framework, the objective of financial reporting is to provide information about a reporting entity's assets, liabilities, equity, income, and expenses that is useful to users in making economic decisions. The framework identifies two fundamental qualitative characteristics of financial information: relevance and faithful representation. Relevance refers to the ability of financial information to influence users' decisions, while faithful representation requires that financial information accurately reflects the economic phenomena it purports to represent (IASB, 2018).

The framework also outlines enhancing qualitative characteristics, including:

- **Comparability:** permits the identification and understanding of similarities and differences between items of information
- **Verifiability:** means that different observers would independently agree that the information presented faithfully represents the economic phenomena
- **Timeliness:** ensures that information is available to decision-makers in time to influence their decisions
- **Understandability:** requires that financial information is presented clearly and concisely

The IASB's Conceptual Framework has undergone revisions, with the 2018 revised framework providing updated guidance on financial reporting. This framework is essential for standard-setters, accountants, auditors, and financial statement users, as it provides a coherent system for financial reporting and ensures consistency, transparency, and comparability across global financial reports. Recent studies have applied the IASB's Conceptual Framework to understand the impact of IFRS adoption on financial reporting quality. For example, research has shown that IFRS adoption can lead to improved financial reporting quality, increased transparency, and enhanced comparability (García Osma et al., 2023; Salah, 2020).

GAP IN LITERATURE

The literature on International Financial Reporting Standards adoption has several gaps that require further research. One key area is the impact of IFRS adoption on accounting quality and capital markets in emerging markets, particularly in Africa. Most existing studies focus on developed markets, leaving a gap in understanding the effects of IFRS adoption in diverse economic and regulatory environments.

Another gap in the literature is the separate effects of IFRS adoption and enforcement changes on accounting quality and capital markets. A study on South Africa's experience with IFRS adoption highlights the importance of enforcement mechanisms in realizing the full benefits of IFRS adoption. The study found that IFRS adoption alone led to slight improvements in accounting quality, while significant improvements were observed after enforcement changes were implemented. This finding has implications for countries that have adopted IFRS without introducing enforcement mechanisms.

Further research is needed to explore the impact of IFRS adoption on specific aspects of financial reporting, such as hedging activities and non-financial firms. Additionally, more studies are required in under-researched jurisdictions, particularly in Asia and Africa, to provide a more comprehensive understanding of the effects of IFRS adoption. By addressing these gaps, researchers can provide valuable insights for policymakers and regulators seeking to enhance accounting quality and capital market efficiency.

METHODOLOGY

The study made use of secondary sources of data collection which includes text books, journals, newspapers, magazines, seminar papers, etc. The study adopted descriptive research also known as content analysis to analyze data therein.

DISCUSSION

Hypothesis 1

IFRS adoption increases the transparency of financial reporting

The adoption of International Financial Reporting Standards is expected to increase the transparency of financial reporting. Transparency in financial reporting is essential for stakeholders to make informed decisions about a company's financial health and prospects. IFRS provides a common language for financial reporting, enabling companies to present their financial statements in a clear and concise manner (IASB, 2018). IFRS adoption promotes transparency by requiring companies to disclose more information about their financial performance and position. This increased disclosure enables stakeholders to better understand a company's financial situation and make informed decisions (García Osma et al., 2023).

Studies have shown that IFRS adoption leads to improved transparency in financial reporting. Research has found that companies that adopt IFRS tend to have more transparent financial reporting practices, which enables stakeholders to better understand their financial performance and position (Salah, 2020). The increased transparency brought about by IFRS adoption can lead to improved decision-making by stakeholders. Investors and analysts can make more informed decisions about a company's financial health and prospects, which can lead to more efficient allocation of resources (García Osma et al., 2023).

IFRS adoption can also lead to increased accountability and governance. Companies are required to disclose more information about their financial performance and position, which can lead to increased scrutiny and accountability (IASB, 2018). The transparency brought about by IFRS adoption can also lead to improved comparability of financial statements. Companies that adopt IFRS tend to have more comparable financial statements, which enables stakeholders to compare financial performance and position across companies and industries (García Osma et al., 2023).

However, the impact of IFRS adoption on transparency can vary depending on the country's institutional framework and regulatory environment. Research has found that IFRS adoption has a more significant impact on transparency in countries with strong enforcement mechanisms (Salah, 2020). The increased transparency brought about by IFRS adoption can also lead to increased investor confidence. Investors are more likely to invest in companies that have transparent financial reporting practices, which can lead to increased investment and economic growth (García Osma et al., 2023). IFRS adoption can also lead to improved financial reporting quality. Companies that adopt IFRS tend to have higher-quality financial reporting practices, which enables stakeholders to better understand their financial performance and position (IASB, 2018).

The transparency brought about by IFRS adoption can also lead to increased scrutiny and accountability of companies. Companies are required to disclose more information about their financial performance and position, which can lead to increased scrutiny and accountability (Salah, 2020). Overall, the evidence suggests that IFRS adoption increases the transparency of financial reporting. By promoting transparency and disclosure, IFRS adoption enables stakeholders to make informed decisions about a company's financial health and prospects (García Osma et al., 2023). IFRS adoption is associated with increased transparency in financial reporting. The increased transparency brought about by IFRS adoption can lead to improved decision-making, increased accountability, and improved comparability of financial statements. From the analysis above, we accept the hypothesis which states that IFRS adoption increases the transparency of financial reporting.

Hypothesis 2

IFRS adoption improves financial statement comparability

The adoption of International Financial Reporting Standards is expected to improve financial statement comparability. Comparability of financial statements is essential for stakeholders to compare financial performance and position across companies and industries. IFRS provides a common language for financial reporting, enabling companies to present their financial statements in a consistent and comparable manner (IASB, 2018). IFRS adoption promotes comparability by requiring companies to follow a consistent set of accounting standards. This consistency enables stakeholders to compare

financial statements across companies and industries, which can lead to more informed decision-making (García Osma et al., 2023).

Studies have shown that IFRS adoption leads to improved comparability of financial statements. Research has found that companies that adopt IFRS tend to have more comparable financial statements, which enables stakeholders to compare financial performance and position across companies and industries (Salah, 2020). The improved comparability brought about by IFRS adoption can lead to more efficient allocation of resources. Investors and analysts can compare financial performance and position across companies and industries, which can lead to more informed investment decisions (García Osma et al., 2023).

IFRS adoption can also lead to increased transparency and disclosure. Companies are required to disclose more information about their financial performance and position, which can lead to increased transparency and comparability (IASB, 2018). The comparability brought about by IFRS adoption can also lead to improved financial analysis and forecasting. Analysts can compare financial performance and position across companies and industries, which can lead to more accurate financial analysis and forecasting (García Osma et al., 2023).

However, the impact of IFRS adoption on comparability can vary depending on the country's institutional framework and regulatory environment. Research has found that IFRS adoption has a more significant impact on comparability in countries with strong enforcement mechanisms (Salah, 2020). The above discussion supports the second hypothesis which states that IFRS adoption improves financial statement comparability.

Hypothesis 3

IFRS adoption increases the cost of financial reporting.

The adoption of International Financial Reporting Standards is associated with increased costs for companies, particularly in the initial stages of implementation (Kim et al., 2020). Studies have shown that IFRS adoption leads to significant costs, including audit fees, training and development expenses, and investments in new systems and software (García Osma et al., 2023). Companies incur higher audit fees due to the complexity of IFRS standards and the need for specialized expertise (Kim et al., 2020). Research has found an economy-wide increase in mean audit fees following IFRS adoption. Additionally, companies invest in training programs to enhance the understanding and application of IFRS among financial professionals, adding to the overall cost (García Osma et al., 2023).

The impact of IFRS adoption on costs can vary depending on company-specific factors, such as size and complexity, as well as country-specific factors, like regulatory environments (Salah, 2020). Understanding these dynamics is crucial for companies and regulators seeking to optimize the benefits of IFRS adoption while minimizing its costs. Recent studies continue to explore the relationship between IFRS adoption and costs, highlighting the need for careful consideration of implementation strategies to mitigate potential expenses (García Osma et al., 2023). By weighing the benefits of IFRS adoption against the increased costs, companies can make informed decisions about their financial reporting practices. IFRS adoption can lead to increased costs, but it also promotes transparency, comparability, and consistency in financial reporting (IASB, 2018). The benefits of IFRS adoption can outweigh the costs in the long run, particularly for companies operating in multiple jurisdictions.

The costs associated with IFRS adoption can be significant, but they can also be managed with proper planning and implementation (Kim et al., 2020). Companies should consider the potential costs and benefits of IFRS adoption when making decisions about their financial reporting practices. IFRS adoption is associated with increased costs for companies, but it also promotes transparency, comparability, and consistency in financial reporting. By understanding the potential costs and benefits of IFRS adoption, companies can make informed decisions about their financial reporting practices (García Osma et al., 2023).

The increased costs associated with IFRS adoption can be a challenge for companies, particularly small and medium-sized enterprises (SMEs) (Salah, 2020). However, the benefits of IFRS adoption can outweigh the costs in the long run, particularly for companies operating in multiple jurisdictions. Overall, the evidence suggests that IFRS adoption increases the cost of financial reporting, but it also promotes transparency, comparability, and consistency in financial reporting (García Osma et al., 2023).

By carefully considering the potential costs and benefits of IFRS adoption, companies can make informed decisions about their financial reporting practices and optimize the benefits of IFRS adoption while minimizing its costs (Kim et al., 2020). IFRS adoption is a complex process that requires careful planning and implementation (IASB, 2018). Companies should consider the potential costs and benefits of IFRS adoption when making decisions about their financial reporting practices. The benefits of IFRS adoption can outweigh the costs in the long run, particularly for companies operating in multiple jurisdictions (García Osma et al., 2023). By understanding the potential costs and benefits of IFRS adoption, companies can make informed decisions about their financial reporting practices. The analysis above supports the third hypothesis which states that IFRS adoption increases the cost of financial reporting.

FINDINGS

1. IFRS adoption improves financial reporting quality by promoting transparency, comparability, and consistency (García Osma et al., 2023).
2. IFRS adoption leads to increased comparability of financial statements across companies and industries, facilitating informed decision-making (IASB, 2018).
3. IFRS adoption is associated with increased costs for companies, particularly in the initial stages of implementation (Kim et al., 2020).
4. The impact of IFRS adoption on financial reporting quality and costs can vary depending on company-specific factors, such as size and complexity, and country-specific factors, like regulatory environments (Salah, 2020).
5. IFRS adoption promotes transparency and disclosure, enabling stakeholders to better understand a company's financial performance and position (García Osma et al., 2023).
6. The benefits of IFRS adoption can outweigh the costs in the long run, particularly for companies operating in multiple jurisdictions (García Osma et al., 2023).

RECOMMENDATIONS

1. Companies should invest in training programs to enhance the understanding and application of IFRS among financial professionals to improve financial reporting quality.
2. Regulators should promote IFRS adoption by providing guidance and support to companies, particularly small and medium-sized enterprises (SMEs), to facilitate comparability and transparency.
3. Companies should carefully plan and implement IFRS adoption to minimize costs and maximize benefits, considering factors like company size, complexity, and regulatory environments.
4. Regulators should strengthen enforcement mechanisms to ensure that companies comply with IFRS standards and promote transparency and comparability.
5. Companies should consider the potential costs and benefits of IFRS adoption when making decisions about their financial reporting practices, weighing the advantages of improved transparency and comparability against the increased costs.
6. Regulators and standard-setters should continue to monitor the impact of IFRS adoption and make adjustments to the standards as needed to ensure that they remain effective and efficient.

CONCLUSION

The adoption of International Financial Reporting Standards (IFRS) has a profound impact on financial reporting quality, comparability, and transparency. Studies have shown that IFRS adoption leads to improved financial reporting quality, increased comparability of financial statements, and enhanced transparency (García Osma et al., 2023; IASB, 2018). These benefits can lead to more informed decision-making, increased investor confidence, and improved market efficiency. However, IFRS adoption is also associated with increased costs for companies, particularly in the initial stages of implementation (Kim et al., 2020). Companies must invest in training programs, system upgrades, and external consultancy fees to ensure compliance with IFRS standards. Despite these costs, the benefits of IFRS adoption can outweigh the costs in the long run, particularly for companies operating in multiple jurisdictions (García Osma et al., 2023).

Overall, the evidence suggests that IFRS adoption is a valuable step towards promoting transparency, comparability, and consistency in financial reporting. By understanding the potential benefits and costs of IFRS adoption, companies and regulators can make informed decisions about financial reporting practices and optimize the benefits of IFRS adoption while minimizing its costs. As the global economy continues to evolve, the importance of high-quality financial reporting standards like IFRS will only continue to grow.

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