


Chapter 7

A Half-Century of International Accounting Standards (IAS/IFRS): Assessing the Mandatory Adoption, Impact, and Morocco's Position in the Convergence Process

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ABSTRACT

Since its establishment in 1973, the International Accounting Standards Committee (IASC), which became the International Accounting Standards Board (IASB) in 2001, has developed and published international accounting standards, initially known as IAS and later as IFRS. After fifty years, 87% of countries, including Morocco, mandate the full or partial adoption of IFRS. This paper provides a brief overview of the history of IFRS, focusing on three key areas: the global extent of adoption and its main determinants, the consequences of adoption, and the role of IFRS in Morocco's accounting standardization. The findings suggest that IFRS adoption is influenced by factors such as reliance on international financial institutions, economic openness, professional expertise, etc. Furthermore, IFRS adoption enhances the quality of accounting information and positively impacts macroeconomic indicators. While Morocco has partially adopted IFRS for banks, it is currently undertaking a major project to align its accounting practices with IFRS standards.

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INTRODUCTION

The history of accounting dates back to ancient civilizations (Keith, 1992); however, its formalization began in the 15th century, particularly with the Italian mathematician Luca Pacioli, who is regarded as the father of accounting. In 1494, Pacioli published the first comprehensive work on double-entry bookkeeping. Nevertheless, the standardization of accounting practices did not occur until the early 20th century, specifically in 1909 in the United States, with the establishment of the American Association of Public Accountants (AAPA), the predecessor of the American Institute of Certified Public Accountants (AICPA).

Certainly, accounting plays a crucial role in the economic and financial activities of nations. As early as the 19th century, Max Weber recognized accounting as central to the rationality of the capitalist economy. Similarly, Karl Marx highlighted that accounting serves as a key tool in developing and reproducing the social relations inherent in capitalism (Chiapello, 2007). According to Esnault and Hoarau (2005, p. 3), accounting is defined as “an information system, and more specifically, a formal system for identifying, measuring, classifying, and recording the transactions of organizations, designed to provide, after appropriate processing, information likely to satisfy the presumed needs of multiple users.” The French Plan Comptable Général (PCG, Art. 121-1) defines accounting as “a system for organizing financial information in order to capture, classify, and record basic numerical data, and to present statements that give a true and fair view of an entity’s assets, financial position, and results at the balance sheet date.” Colasse (1997) argues that the primary objective of accounting, and particularly financial accounting, is to provide a relevant representation of the economic reality of an entity.

Accounting standards vary significantly across countries, with two primary accounting models emerging in recent decades. The first is the Anglo-Saxon model, which is based on accounting standards developed by professional organizations in the United States and the United Kingdom. The second is the Franco-Germanic (or continental) model, which relies primarily on charts of accounts established by public authorities in France and Germany. This diversity in accounting approaches has created challenges in comparing financial statements, thereby highlighting the need for universally accepted international accounting standards. International Accounting Standards (IAS) refer to the accounting guidelines developed by the International Accounting Standards Committee (IASC) between June 29, 1973, and April 1, 2001. In contrast, International Financial Reporting Standards (IFRS) represent a new set of standards published since April 1, 2001, by the International Accounting Standards Board (IASB), the successor to the IASC. The primary objective of adopting IFRS is to enhance the comprehensibility, relevance, reliability,

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