The role of institutional pressures in developing countries. Implications for IFRS[1]

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Abstract. *As more countries consider the adoption of International Financial Reporting Standards (IFRS) it becomes increasingly important to understand the key factors that encourage IFRS diffusion on a global scale. The purpose of this study is to identify the relationship between institutional factors and IFRS adoption in developing countries. Drawing upon the institutional isomorphism theory and using a logit model to analyse a sample of 97 developing countries in 2013, this paper provides empirical evidence that the process of IFRS adoption is significantly influenced by mimetic pressures. These findings contradict the mainstream belief that IFRS adoption in developing countries is driven by perceived economic benefits.*

Keywords: IFRS adoption, developing countries, coercive pressures, mimetic pressures, normative pressures.

JEL Classification: M40, M41, M48.

Introduction

The complex process of international accounting harmonization has long attracted the attention of scholars and standards setters. It follows that the global adoption of international accounting standards has been extensively debated (Barth, 2008; Daske et al., 2008, Wang and Smith, 2009; Reineking et al., 2013). Increased capital movements across national borders have generated a surge in the demand for a single set of high-quality accounting standards. The International Financial Reporting Standards (IFRS) can be seen as a common global language developed for financial reporting purposes (Binaj et al., 2012). Supporters of IFRS argue that the use of a global set of accounting standards increases the quality of financial information and benefits investors (Daske et al., 2008). Opponents hold the view that IFRS may not be suitable for all settings and thus may not be able to meet stakeholders' informational needs (Perera, 1989; Soderstrom and Sun, 2007).

A wide variety of studies investigates the process of international accounting harmonization. However, most articles focus on the impacts or consequences of IFRS adoption at the firm level. Marquez-Ramos (2008, 2011) initially shifts the research focus from firm-level analysis to country-level analysis and investigates the process of IFRS adoption within national economic environments. Subsequent country level analyses focus on the particular case of developed countries and pay little attention to the drivers and effects of the IASB standards in the developing world.

The developed/ developing countries dichotomy is commonly used in the accounting literature (Belkaoui, 1983, 1996, 2004; Ali and Ahmed, 2006; Ball, 2006; Ernstberger et al., 2010). Consistent with previous studies, the developed countries group includes jurisdictions with a developed economy and advanced technological infrastructure. The developing countries group is made up of countries with low standards of living, an underdeveloped industrial base and low levels of economic development (Nielsen, 2011).

Accounting standards and practices differ significantly from one jurisdiction to another due to several factors. The most notable ones are: culture, legal systems, capital providers, taxation, inflation, regulation (Nobes and Parker, 2008), ecologic, institutional, political, economic, legal and educational systems (Roberts et al., 2002). Given the increased acceptance of IFRS on a global scale, the influences of these factors have exceeded national boundaries and have generated numerous debates. Some scholars argue that countries decide to make the transition to IFRS due to perceived economic benefits (Cai and Wong, 2010). Others hold the view that jurisdictions adopt the dominant set of rules while seeking acceptance and legitimacy on the international scene (Judge et al., 2010; Lasmin, 2011). This tendency continues even if it may not lead to positive economic outcomes.

Judge et al. (2010) suggest that the institutional theory, previously used in the accounting literature (North, 1990; Scott, 2001) might be able to provide further insight into the investigation of the institutional factors that encourage or restrain IFRS adoption.

The purpose of this paper is to explore the relationship between institutional isomorphic pressures and IFRS adoption. The contribution this research brings to the accounting

literature is the focus on the particular case of developing countries. Although there are several studies that discuss the key determinants of IFRS adoption few of them have focused exclusively on developing countries and have accounted for institutional factors. Understanding the link between institutional isomorphic pressures and IFRS might help standard setters to identify the factors that could better promote the standards' adoption in the developing world.

The first section of the paper presents the literature review and provides further insight into the institutional approach to the accounting harmonization process. The second section presents an econometric study in which correlations between institutional isomorphic pressures and IFRS adoption are identified and analysed. Finally, the third section discusses the main findings of the study.

1. The relationship between IFRS adoption and institutional isomorphic pressures

During the past decade approximately 130 countries have adopted or committed to adopt IFRS for financial reporting purposes of publicly traded companies. As a consequence, a large and growing body of literature has investigated the international accounting harmonization process (Belkaoui, 2004; Ali et al., 2006, Ball, 2006; Ezzamel et al., 2007; Alexander and Micallef, 2011).

To date, previous studies have highlighted factors that are associated with IFRS adoption. Some authors argue that countries decide to adopt the IASB standards due to perceived economic benefits. According to Taylor et al. (1986) financial statements prepared in accordance with IFRS are more transparent, value relevant and comparable than financial information disclosed in accordance with domestic standards. As capital flows become more globalised, the standards reduce information costs to an economy. It is cheaper and easier for investors to become familiar with one internationally accepted set of accounting standards than with several domestic standards (Leuz, 2003; Barth, 2008). It follows that IFRS contributes to a better functioning of capital markets and can attract a higher number of investors and a wider variety of resources into an economy. Other scholars argue that environmental and institutional factors specific to each country are key determinants of IFRS adoption (Zeghal and Mhedbi, 2006; Lasmin, 2011). Consistent with this line of reasoning, countries adopt the standards as a result of the pressure exerted by economic, social and political factors.

The expansion of international trade and the increasing access to foreign capital markets have raised the number of debates on the need for a single set of accounting standards. Economic entities compete globally for resources. Thus, multinational companies, investors and creditors are forced to bear the costs of reconciliation of financial statements prepared in accordance with national standards. A common set of practices and financial reporting standards can generate an equitable competitional level for all companies worldwide, including for those from underdeveloped countries (Murphy, 2000).

Irvine and Lucas (2006) argue that the process of adopting international accounting standards and practices is often too expensive and lacks relevance for the particular economic situation of developing countries. The reduced capabilities of enforcement represent a solid argument to why developing economies might not experience economic benefits as a result of IFRS adoption (Hossain et al., 1994; Street et al., 1999; Street and Gray, 2001; Dahawy and Conover, 2007). IFRS were developed in high-income countries with commun law legal systems and free market orientation. Thus, it is still debatable if these standards could be properly implemented by countries with different cultures and legal origins.

Developing countries need an accounting framework able to capture all financial information that can be used as a basis for making economic decisions on various levels. It is difficult and expensive for investors to compare and interpret financial statements prepared in accordance with different accounting standards (Biddle and Saudagaran, 1991). Furthermore, accounting regulation may also influence the choice of multinational companies of the foreign markets where they will be listed (Saudagaran and Biddle, 1995). While convergence with IFRS may be more easily accessible to foreign capital corporations, a number of previous studies suggest that accounting standards developed for high-income countries may not be useful for participants in the capital markets of developing countries (Nair, 1982; Perera, 1989; Irvine and Lucas, 2006).

Cai and Wong (2010) find that a generally accepted set of international accounting standards allows global financial markets to function better. Their study empirically shows that capital markets from countries that have adopted IFRS record a higher degree of mutual integration in the post-adoption period compared to the pre-adoption period. The authors conclude that accounting information quality has improved since the European Union (EU) has adopted IFRS, including in developing countries.

The international accounting standards have developed in the West, in response to the constantly changing social and economic environment (Schackne, 1970). According to Perera (1989) developing countries are less likely to experience the economic benefits of IFRS adoption as they lack the proper infrastructure to implement them effectively. It is thus reasonable to expect that developing countries may have other reasons to adopt IFRS rather than just economic reasoning.

The institutional theory brings further insight into the role that institutional factors play in the difussion process of IFRS on a global scale. Scott (2001) argues that countries seek legitimacy and acceptance on the global scene and often turn to minimal adoption of formal structures. Consistent with this view, adoption of IFRS provides legitimacy rather than improves the economic performance of adopting countries.

In 1983, DiMaggio and Powell developed the concept of isomorphism, a key notion of the institutional theory. This assumes that actors adopt structures and practices which are considered legitimate and socially acceptable by other actors – regardless of their actual usefulness (Rodriguez and Craig, 2007). Isomorphic changes in the context of globalization explain why countries would immediately take on similar forms and appear to be similar to a hundred other nations around the world.

Consistent with the institutional theory, countries tend to adopt the predominant norms and standards. If they do not, they will lose legitimacy (Carruthers, 1995; DiMaggio and Powell, 1983). This encourages the diffusion on a global scale of internationally accepted structures and practices. As a result, institutional theory posits a structural isomorphism in which countries start imitating each other's behaviour, without necessarily improving their economic performance (DiMaggio and Powell, 1983).

The institutional isomorphism theory has been previously used in the accounting literature to investigate the determinants of IFRS adoption (Judge et al., 2010; Lasmin, 2011). These studies revealed that institutional factors play a significant role in the decision-making process of IFRS adoption. Institutions often influence countries and organizations to engage in growth-enhancing activities. It is thus reasonable to expect that institutional actors can influence to a great extent social behaviour. It follows that countries seek not only to compete for resources and improve their economic performance, but also to become legitimate and socially accepted.

DiMaggio and Powell (1983) have identified three types of institutional isomorphic pressures: coercive pressures, mimetic pressures and normative pressures.

Coercive pressures stem from legitimacy concerns and political influences. This type of pressures arises when institutions require nations to adopt rules and standards. Developing countries depend to a great extent on international norms. Organizations such as the World Bank (WB), the International Monetary Fund (IMF), United Nations (UN), the Organisation for Economic Co-operation and Development (OECD) encourage the diffusion of IFRS among developing countries. Their main rationale for doing so is to boost investors' confidence and to increase capital market efficiency worldwide (Mir and Rahaman, 2005). Low and middle low income countries depend on international organisations to receive financial aid which is vital for their economic development. As a result these nations need to embrace IFRS standards and practices in order to fulfil the criteria necessary to receive funding.

The second type of isomorphic pressures, mimetic pressures, refers to the tendency of nations to imitate other nations viewed as legitimate or successful. Developing countries may adopt the norms and standards of more developed economies in order to achieve legitimacy on the international scene (Judge et al., 2010). Imitation between actors in the international arena may also arise due to competitive reasons. Countries may be pressured to adopt IFRS because not doing so would disadvantage them relative to the competition and erode their edge in the market place. As the number of adopters' increases, the pressure of non-adopters also rises alongside the rate of diffusion.

The third type of pressures identified by DiMaggio and Powell (1983) is normative pressures which are associated with professionalism. Normative pressures refer to collective values that bring about conformity of thought and deed within institutional environments. Turner (1993) argues that education directly influences the development of all professions, including accounting. Nations that have a higher level of educational development are often more likely to adopt and implement more rigorous and complex international norms as a result of a higher level of professionalism.

Considering all the above, it is reasonable to expect that:

H1: Developing countries that experience higher coercive pressures are more likely to adopt IFRS.

H2: Developing countries that experience higher mimetic pressures are more likely to adopt IFRS.

H3: Developing countries that experience higher normative pressures are more likely to adopt IFRS.

2. Research methodology

2.1. Data

The study was conducted on the group of developing countries with active capital markets. Data were collected for the fiscal year 2013 (the most recent year for which data was available). Several publicly available sources were used: the WB and IMF databases, official websites of the accounting bodies from sampled jurisdictions, PwC report on the status of IFRS adoption, Ias Plus website published by Delloite, WB reports on the Observance of Standards and Codes (ROSC). Data were imported into Stata 12.0 for economic and econometric interpretation.

The research hypotheses were empirically tested by means of a multivariate regression with a dummy variable. This approach has been previously used in the literature to study the likelihood of actors (either countries or companies) to adopt IFRS based on certain predicted variables. For instance, Zeghal and Mhedbi (2006) use a logistic regression to investigate the factors that could explain the adoption of international accounting standards by developing countries. Judge et al. (2010) and Lasmin (2011) also use logistic regressions to identify the institutional factors that could determine IFRS adoption in both developed and developing countries.

Data regarding the adoption status were available only for developing countries with active capital markets. As a consequence only these countries were sampled. The total size of the sample was 97 observations. Out of these, 70 countries use IFRS for financial reporting purposes of publicly traded companies and 27 countries use domestic standards. Table 1 presents the list of sampled countries.

Table 1. *List of sampled countries*

IFRS adopters			IFRS non-adopters	
Armenia	Jamaica	Nigeria	Angola	Guinea-Bissau
Azerbaijan	Jordan	Pakistan	Belarus	Indonesia
Bangladesh	Kazakhstan	Panama	Benin	Iran
Bolivia	Kenya	Papua New Guinea	Bhutan	Mali
Bosnia and Herzegovina	Kyrgyz Republic	Paraguay	Burkina Faso	Niger
Botswana	Lao PDR	Peru	Cabo Verde	Philippines
Brazil	Lebanon	Romania	Cameroon	Serbia
Bulgaria	Lesotho	Rwanda	Central African Republic	Suriname
Cambodia	Libya	Sierra Leone	Chad	Thailand
Costa Rica	Macedonia	Solomon Islands	China	Tunisia

IFRS adopters			IFRS non-adopters	
Dominica	Malawi	South Sudan	Colombia	Turkmenistan
Dominican Republic	Malaysia	St Lucia	Cuba	Uzbekistan
Ecuador	Maldives	Swaziland	Egypt	Vietnam
El Salvador	Mauritius	Syrian Arab Republic	Gabon	
Fiji	Mexico	Tajikistan		
Georgia	Moldova	Tanzania		
Ghana	Mongolia	Turkey		
Grenada	Montenegro	Uganda		
Guatemala	Morocco	Ukraine		
Guyana	Mozambique	West Bank and Gaza		
Haiti	Myanmar	Zambia		
Honduras	Namibia	Zimbabwe		
India	Nepal			
Iraq	Nicaragua			

2.2. Variables and model specification

This section presents the definitions and measurements of the dependent and independent variables.

IFRS adoption. Consistent with previous studies, a dichotomous variable was used to capture the adoption status of each sampled country. Variable IFRS takes value 1 for countries that require or permit the use of IFRS by listed companies and 0 otherwise. The IASB website was used to identify the adoption status of the sampled countries in 2013. This source was previously used by Zeghal and Mhedbi (2006). Other publicly available data sources such as the PwC report on the adoption of standards and codes and Delloite's website Ias Plus, were accessed. Information proved to be consistent across all the data sources.

Coercive pressures. Foreign aid levels were used to capture the coercive pressures within a country. The literature suggests other several variables that could be used as proxies for coercive isomorphism: rule of law index, EU membership and civil liberty index (Lasmin, 2011). However, Judge et al. (2010) argue that the most appropriate proxy for coercive pressures is the level of foreign aid. This variable was computed using data from the World Development Indicators dataset (WB, 2015) as the proportion of the foreign aid relative to the gross domestic product.

Mimetic pressures. Previous studies suggest several variables that could be used as proxy for mimetic isomorphism, including: trade freedom, foreign direct investment and import penetration (Judge et al. 2010, Lasmin, 2011). In this study both foreign direct investment levels and import penetration are used capture mimetic pressures. Trade freedom could not be included in the analysis as it was highly correlated with the other variables. Foreign direct investment is measured as the net foreign direct investment to gross domestic product ratio. Import penetration is computed as the proportion of imported goods and services sold relative to the gross domestic product. Data for both variables were collected from the World Development Indicators dataset (WB, 2015).

Normative pressures. Normative isomorphism illustrates how IFRS adoption is influenced by professional norms and standards.   However, data on accounting

professionalism are virtually non-existent. Previous studies employ several education attainment variables as proxy for accounting professionalism (Judge et al., 2010; Lasmin, 2011). In this analysis, enrolment in secondary schools as a percentage of the total population in the age group for secondary education in 2013 is used as proxy for mimetic pressures.

Based on previous research identified below, the following two control variables were included in the analysis: economic growth rate and colonial inheritance. Each of these control variables are discussed below.

Economic growth rate. Zeghal and Mhedby (2006) found that economic growth is positively associated with IFRS adoption in developing countries. Consistent with their research, the gross domestic product growth rate is included in the analysis as the first control variable.

Colonial inheritance. Irvine and Lucas (2006) argue that IFRS is more suitable for the economic context of former British colonies. These countries have inherited their institutions and institutional infrastructure from the United Kingdom. As a result it is easier for them to adopt and adapt to sets of norms and standards developed in the Anglo-Saxon world. Therefore, the colonial inheritance is included in the model as the second control variable. It is a dummy variable which takes value 1 in the case of former British colonies and 0 otherwise.

The body of literature that focuses on the topic of accounting harmonization points to numerous other factors that could be determinants of IFRS adoption, such as: market capitalization, economic freedom, civil rights. However, not all of these factors could be included in the analysis due to data availability. Table 2 summarises the variables included in the analysis.

Table 2. *Variables description and data sources*

Variables	Measures / concepts	Source
IFRS	Binary variable, takes value 1 for countries requiring or permitting IFRS for financial reporting purposes of listed companies and 0 otherwise	Delloite (2015), IASB(2015), PWC (2015)
FAID	Proportion of the foreign aid relative to the gross domestic product	World Development Indicators dataset, World Bank (2015)
FDI	Proportion of the foreign direct investment relative to the gross domestic product	World Development Indicators dataset, World Bank (2015)
IMPORT	Proportion of the value of goods and services sold relative to the gross domestic product	World Development Indicators dataset, World Bank (2015)
EDUC	Enrolment in secondary schools as a percentage of the total population in the age group for secondary education	World Development Indicators dataset, World Bank (2015)
EGROW	Gross domestic product growth rate	World Development Indicators dataset, World Bank (2015)
BRIT	Binary variable, takes value 1 for former British colonies and 0 otherwise	Encyclopaedia Britannica (2016)

The research hypotheses were tested based on the following equation:

$$Log\ IFRS\ =\ \alpha 0\ +\ \alpha 1\ FAID\ +\ \alpha 2\ FDI\ +\ \alpha 3\ IMPORT\ +\ \alpha 4\ EDUC\ +$$

$$+\ \alpha 5\ EGROW\ +\ \alpha 6\ BRIT\ +\ \varepsilon \qquad\qquad (1)$$

where IFRS is the binary adoption variable; FAID is the level of foreign aid; IMPORT is the import penetration index; EDUC is the educational level; EGROW is the economic growth rate; BRIT is the dichotomous former British colony variable; α_{1-6} are the regression's coefficients and ε represents the residuals.

Several tests were carried out using the functions implemented in Stata 12.0: t-test and Mann-Whitney test to determine the significance of the difference between foreign aid levels, foreign direct investment levels, import figures, education levels and economic development levels in developing jurisdictions that have adopted IFRS compared to those that use domestic standards, Pearson-R and Spearman-R to determine the correlation between the dependent and the independent variables.

3. Empirical results

We first looked at data in order to identify differences between countries that have adopted IFRS compared to countries that used domestic standards (Table 3).

Table 3. *Descriptive statistics*

	IFRS adopters			IFRS non-adopters						
	Mean	Median	St.dev	Mean	Median	St.dev	t-test	p-value	Mann-Whitney	p-value
FAID	4.245	2.337	5.932	3.638	1.521	4.661	-0.476	0.634	-0.941	0.346
FDI	4.685	3.560	5.894	3.084	2.939	2.648	-1.331	0.186	-0.785	0.432
IMPORT	50.467	51.232	19.209	37.910	32.746	16.973	-2.814	0.0061	-2.801	0.005
EDUC	4.253	1.432	4.721	5.431	6.938	4.140	1.1210	0.265	1.210	0.226
EGROW	4.874	4.684	4.253	2.505	3.271	8.320	-1.824	0.0713	-1.402	0.160

Findings indicate that IFRS adopters receive on average higher volumes of foreign aid and foreign direct investment than non-adopters. They also import a higher volume of goods and services and have a higher economic growth rate. Surprisingly, results seem to indicate that IFRS adopters have lower educational levels that their counterparts. However, the t-test revealed that only import levels differ significantly between the two groups of countries. Results of the Mann-Whitney test are consistent with those of the t-test.

Pearson R and Spearman R coefficients (Table 4 and Table 5) seem to indicate positive correlations between IFRS adoption and foreign aid levels, foreign direct investment levels, import levels and economic growth rates. Surprisingly, there seems to be a negative correlation between educational levels and IFRS adoption, suggesting that IFRS adopting countries have a lower level of professionalism compared to non-adopters. However the coefficients indicate a week relationship between the two variables.

Table 4. *Pearson-R Coefficients*

	IFRS	FAID	FDI	IMPORT	EDUC	EGROW	BRIT
IFRS	-						
FAID	0.0312	-					
FDI	0.1232	0.2824	-				
IMPORT	0.2648	0.2119	0.3419	-			
EDUC	-0.0784	-0.0704	-0.0271	-0.1558	-		
EGROW	0.1822	-0.1234	0.1615	0.0699	-0.0278	-	
BRIT	0.3279	0.2122	-0.0979	0.0299	-0.2861	0.1162	-

Table 5. *Spearman-R coefficients*

	IFRS	FAID	FDI	IMPORT	EDUC	EGROW	BRIT
IFRS	-						
FAID	0.0494	-					
FDI	0.0913	0.1968	-				
IMPORT	0.2748	0.2876	0.3894	-			
EDUC	-0.0868	-0.1538	0.0961	-0.1635	-		
EGROW	0.1020	0.0477	0.0795	-0.0713	-0.0289	-	
BRIT	0.3279	0.2152	-0.0632	0.0163	-0.2913	0.0969	-

After running the logistic regression, the following equation was obtained:

$$Log\ (IFRS) = -0.0557\ FAID\ + 0.0574\ FDI\ +\ 0.0400\ IMPORT\ +$$

$$+\ 0.0342\ EDUC\ +\ 0.0369\ EGROW\ +\ 2.9495\ BRIT\ +\ \varepsilon \qquad (2)$$

The model revealed that only one of the four variables of interest of the study is predictive of IFRS adoption as hypothesized. The overall model fit is 21.58 %.

Table 6. *Stata regression output*

Variable	Coef.	Std. Err.	Z	P-value
FAID	-0.0557	0.0626	-0.89	0.373
FDI	0.0574	0.0917	0.63	0.531
IMPORT	0.0400	0.0185	2.15	0.031
EDUC	0.0342	0.0606	0.57	0.572
EGROW	0.0369	0.0622	0.59	0.552
BRIT	2.9495	1.1281	2.61	0.009
Prob>chi2	0.0018			
Pseudo R2	0.2158			

Contrary to what we expected, results indicate that higher volumes of foreign aid reduce the likelihood that a country adopts IFRS. This result is consistent with those previously obtained in the literature (Judge et al., 2010; Lasmin, 2011). We cannot be more that 95% confident that the relationship did not occur by chance and will be reflected in the population. We thus, do not have strong empirical evidence to support the first hypotheses of the study. It might be possible that during 2013 foreign aid levels have lowered down compared to previous years. If this is the case, countries would still experience coercive pressures from international organizations but these would not be reflected in the 2013 foreign aid figures.

Next, the logistic regression points to a positive association between foreign direct investment levels and IFRS adoption. The coefficient is statistically insignificant at a

confidence level of 95%. However, it seems that higher import levels increase the likelihood of IFRS adoption. The coefficient obtained is statistically significant and provides empirical evidence to support H2.

As hypothesized, the model revealed that the more educated a country's population is the more likely that country is to adopt IFRS. Although the result is consistent with previous literature, the coefficient obtained is not statistically significant and does not support H3. It is possible that the level of professionalism in developing countries has not reached yet the optimal level required to have a significant influence on the accounting harmonization process.

The model also revealed that former British colonies are more likely to adopt IFRS. This is not surprising since IFRS were developed in the Anglo-Saxon world and can be easier adopted by countries with similar institutional structures.

Conclusions

The purpose of the present study was to investigate the relationship between institutional pressures and IFRS adoption in developing countries.

Returning to the hypotheses posed at the beginning of the study, findings seem to indicate that mimetic pressures play a significant role in the IFRS adoption process in the developing world. However, results suggest that coercive and normative pressures are not significant determinants of IFRS adoption. The study focused exclusively on developing countries revealing specific reasons to adopt or not to adopt IFRS, while also controlling for the economic growth rate and the colonial inheritance of the countries. It thus makes a noteworthy contribution to the literature.

Finally a number of important limitations need to be considered. First, due to data availability only 97 countries were included in the analysis. Second, the study considered IFRS adoption in terms of a dichotomous variable and classifies countries in adopters and non-adopters based on requirements they impose on listed companies. Thus, only listed companies were taken into account. The reason for doing so is the strong regulation of capital markets which either strictly requires or does not permit reporting under IFRS. Domestic companies which are permitted to apply IFRS were not taken into account as it is difficult to assess their level of compliance with IFRS requirements. Third, factors suggested by the accounting literature that might play a significant role in the adoption process (e.g. market capitalization, economic freedom, civil rights) could not be included in the research model due to data availability.

The international accounting harmonization process and its key drivers represent a fruitful area for further work. More research is needed to better understand the reasoning behind developing countries' decision to adopt IFRS. It would be interesting to assess the effect of accounting training programs in poor countries on their decision to switch to the international accounting framework.

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