International Financial Reporting Standards and Level of Compliance with Mandatory Disclosure Requirements

Manel Rajhi

Université Tunis El Manar, Faculté des Sciences Economiques et de Gestion, de Tunis, Tunisia

Abstract– **We investigate the level of compliance with the disclosure requirements of International Financial Reporting Standards (IFRS). The disclosure level is based on the analysis of annual reports of 118 French firms listed on the NYSE Euronext after 2005. Based on standards for which previous studies are controversial, we use the 'dichotomous' approach and the alternative method named Partial Compliance (PC). Our findings suggest that firms do not totally comply with the disclosure requirements of IFRS. Our findings also support that the partial compliance approach provide significantly different score from the dichotomous approach. Precisely, the dichotomous approach provides a higher compliance score than the PC approach.**

Keywords– **IFRS, Mandatory Disclosure Requirements, Compliance and Disclosure Index**

I. INTRODUCTION

Before the era of globalization and financial internationalization, financial reporting was mainly addressed to national authorities. In France, the accounting standards, unlike Anglo-Saxon countries, are mainly the responsibility of governments.

The globalization of capital markets has increased the awareness of the community on the need of international accounting standards. Thus, a new phase of European accounting harmonization was necessary, by adopting the International Financial Reporting Standards.

Starting from 2005, the French listed firms were obliged to prepare their financial statements in accordance with international financial reporting standards. These standards oriented to the investor, will aim to promote the free movement of capital and ensure comparability between firms despite their country of origin through a more transparent financial reporting.

However, these benefits assume full compliance with the mandatory requirements of IFRS. Indeed, one of the main objectives of the IASB is to develop a single set of high quality, understandable, enforceable and globally accepted financial reporting standards (IASCF Constitution, 2005). However, the uniform application of IAS / IFRS across different jurisdictions has been questioned given the various institutional and cultural contexts (Nobes, 2006). Therefore, the level of compliance with international accounting standards is an appropriate field of investigation.

Indeed, several research measuring compliance with mandatory requirements of IFRSs, reveal non-compliance of companies with international accounting standards (Glaum and Street, 2003; Hodgdon, 2004; Hodgdon et al. 2008; Street and Gray, 2001). Most of these studies have used dichotomous method according to Cooke (1992) (henceforth Cooke's dichotomous approach). This method gives equal weight to items required to be disclosed. However, this disclosure index has an important limit; it gives greater weight to standards containing several items, therefore the standards are not treated equally.

Thus, we can wonder about the accuracy of the results of previous studies (Abd-Elsalam and Weetman, 2003; Glaum and Street, 2003; Hodgdon et al. 2008; Street and Bryant, 2000). In this sense, we introduced an alternative method (Al-Shiab, 2003), that avoids this problem called partial compliance method, giving equal weights to each standard despite the number of items.

This problematic has been treated by many researchers, however our study differs from others on three levels:

First of all, previous works refer to the period before 2005, they use the old version of IAS before their mandatory adoption. The level of compliance with the mandatory requirements of IAS/IFRSs can't be significant unless the adoption of standards is made mandatory.

Secondly, the French context constitutes an appropriate field of investigation. The compliance of French firms, with IFRSs mandatory disclosure after their adoption in 2005, has not been treated by previous studies. Thus, our paper will provide an assessment on the level of compliance and the enforcements mechanisms employed by French firms in order to comply with the disclosure requirements of IFRSs.

Thirdly, the literature review shows that the majority of previous research employs solely one disclosure index to measure the level of compliance with the mandatory disclosure requirements of IFRSs. However, this method may cause false results, therefore we employ two disclosure index and we test the difference between the levels of compliance.

We propose, therefore, to test the compliance with the IFRSs disclosure requirements via two different methods after their mandatory adoption in 2005. Thus, this paper is organized as follows; the first section examines compliance with IAS/IFRS mandatory disclosure requirements, while the second test compliance with IFRSs through two disclosure index and expose the results.

II. BACKGROUND AND DEVELOPMENT OF HYPOTHESES

A) Fair presentation and compliance with IFRSs

The true and fair view is a representation as objective as possible of the business affairs reality's allowing stakeholders to have an accurate perception of the firm. In this sense, the conceptual framework of the IASB states that "To be useful, financial information must not only represent relevant phenomena, but it must also faithfully represent the phenomena that it purports to represent." Thus, the notion of compliance is a fundamental element in the conceptual framework of the IASB, it must be understood as consubstantial with the definition of the true and fair view.

IAS 1 provides a concrete signal of the transition to International Financial Reporting Standards (IFRSs). In other words, once management changed to IFRSs, it must "make an explicit and unreserved statement of such compliance in the notes." (IAS1 § 16). She adds that, an entity shall not describe financial statements as complying with IFRSs unless they comply with all the requirements of IFRSs.

In addition, IAS 1 (§ 17) states "An entity achieves a fair presentation by compliance with applicable IFRSs." Indeed, for the IASB, the proper application of IFRS is mainly based on the fair presentation.

"In the extremely rare circumstances in which management concludes that compliance with a requirement in an IFRSs would be so misleading that it would conflict with the objective of financial statements set out in the Framework, the entity shall depart from that requirement in the manner set out in paragraph 20 if the relevant regulatory framework requires, or otherwise does not prohibit, such a departure." (§ 19)

This principle can be regarded as the essential basis on which all accounting principles are founded. In this sense, the concept of true and fair view should reflect as objectively as possible, the reality of the business.

The international standard specifies in IAS 1 (§ 15) that "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity." He then stated that "The application of IFRSs, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation." And "An entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material." (§ 18).

B) Compliance with IAS/IFRS mandatory disclosure requirements

Despite the fact that several countries have changed to IFRSs as their accounting standards, the debate on the full compliance of firms with the mandatory disclosure requirements continues (Glaum and Street, 2003 Hodgdon *et al*. 2008 and Street and Gray, 2001).

. This decision of the European Union to mandate IFRSs aimed to improve the international comparability and to lead to financial statements which reflect a true and fair view of the business affairs.

However, uniform application of IFRSs in various jurisdictions is difficult to achieve due to enforcement mechanisms, various cultures and institutional contexts (Nobes, 2006).

The mandatory application of IAS / IFRS provides an opportunity for researchers to study compliance with the mandatory disclosure requirements after their adoption in 2005. In spite of the adoption of the revised IAS 1 which states, "An entity shall not describe financial statements as complying with IFRSs unless they comply with all the requirements of IFRSs", the compliance with IAS / IFRS remains a controversial topic.

Recent research provides considerable evidence of non-compliance with IAS / IFRS for firms claiming to have adopted the international accounting standards (Glaum and Street, 2003; Street and Gray, 2001).

In the same vein, Cairns (1999) suggest nine categories of compliance with IFRSs, ranging from "full compliance" to "unqualified description of differences". Carins (1998, 1999) argue that some companies use a mixture of IFRSs and national standards, while others use IFRSs with some exceptions. Street *et al*. (1999) reported a significant non-compliance in different areas.

In subsequent studies, Street and Bryant (2000) noted that the level of compliance is equal to or less than 75% for several standards. Thus, although companies stipulate full compliance with IFRSs, significant differences were found.

Reviewing the annual reports of 279 firms in 1998 stating their compliance with IFRSs, Street and Gray (2001), realize a considerable variation in the level of compliance with international accounting standards and note that the level of compliance varies with certain characteristics of the firm. In another study examining compliance with IFRSs, Glaum and Street (2003), argue that compliance varies from 100% to 41.6%, with an average of 83.7% for German firms.

Hodgdon *et al*. (2008) argue in this context that it remains reasonable to fear that the problems of comprehension and interpretation can develop between users of international standards relatively inexperienced. Such problems can have an influence on the level of compliance with IAS / IFRS.

A recent study of Tsalavoutas (2011) examines the level of compliance with IAS/IFRS on a sample of Greek firms. He discerns a low level of compliance. This level, considered insufficient for a developed market, reflects the indulgent approach of the regulator concerning compliance with IFRSs during the implementation period.

C) Development of hypotheses

One of the main objectives of the IASB is to provide accounting standards of high quality and globally accepted. Thus, the compliance with IFRSs seems to be a major concern, as long as it can reflect a true and fair view of the company and ensure comparability across different jurisdictions.

The Securities and Exchange Commission investigated the level of compliance of firms in the European Union with IFRSs mandatory disclosure requirements after 2005. The result, mainly descriptive, stipulates that he hasn't "reached any comprehensive conclusions about companies' overall compliance with, or consistency in implementation of, IFRS".

Al-Shiab (2003) discerns a low level of compliance, compared with studies examining compliance with IFRSs in emerging countries, which on average does not exceed 56%. Gebhardt and Heilman (2004).

While, Hodgdon et al. (2008) state that the problems of understanding and interpretation between the various users of IFRSs may explain the results of non-compliance.

It should be noted that these studies refers mainly to the early 1990s and the late 2000s with the exception of the research of Tsalavoutas (2011). None of these researches examines compliance with IFRSs after their mandatory adoption in the EU in 2005. They refer to the old version of IAS and not the revised IAS or IFRSs newly introduced which are supposed to provide a stable platform at the introduction of IAS / IFRS in the EU.

Based on previous research, we argue that firms are familiar with IFRSs and are, subsequently, compliant with the new standards. Thus, the main hypothesis of this study is:

H1: French firms listed on the NYSE Euronext are compliant with the IFRSs mandatory disclosure requirements.

The majority of studies mentioned above used a single disclosure index to measure the level of compliance (Abd-Elsalam and Weetman, 2003; Ali et al. 2004; Glaum and Street, 2003; Hodgdon et al. 2008; Street and Bryant, 2000; Street and Gray, 2001). This index refers to the Cooke's method.

However, this method requires a significant limit due to the considerable variation in the number of items from one standard to another (74 items for IAS 1 to 9 items for IAS 2). As a result, "standards which require more items to be disclosed or, in other words, standards with more items included in the index are unintentionally and indirectly not treated equally with those that require fewer items to be disclosed" (Al-Shiab, 2003).

In this sense, and in order to overcome this problem, an alternative method was introduced: named partial compliance method (Al-Shiab, 2003; Street and Gray, 2001; Tsalavoutas, 2011; Tsalavoutas et al. 2010).

Street and Gray (2001) used both Cooke's method and the partial compliance method. However, they haven't tested the difference between the two scores' level of compliance.

Thus, we can wonder about the difference between the two approaches used to calculate the disclosure index. In this sense, our second hypothesis is formulated as follows:

H2: the Cooke's method produces different score from the partial compliance method

III. RESEARCH DESIGN

A) Sample

The sample for this research contains 118 French firms listed on the NYSE Euronext, and affirming their compliance with IFRSs. The data cover the period from 2009 to 2010. Unlike previous studies examining the period in which the application of IFRSs was optional, our study refer to the period post 2005. In fact, after 2005 the French firms are obliged to adopt IFRSs and to totally comply with their mandatory disclosure requirements.

B) Selection of IAS / IFRS

The extent of compliance is based on 10 standards, namely, IAS 12, IFRS 8, IAS 16, IAS 18, IAS 24, IAS 23, IAS 32, IAS 37, IAS 33 and IAS 38 (see Table 1). The 10 selected standards appear to be the most important and controversial in previous studies (Street and Bryant, 2000; Street and Gray, 2001; Hodgdon et al. 2008; Tsalavoutas, 2011).

Table 1: IAS/IFRS INCLUDED IN THE DISCLOSURE INDEX

Selected standards	Number of item
IFRS 8, Operating Segments	21
IAS 12, Income Taxes	14
IAS 16, property, plant, and equipment	15
IAS 18, Revenue	3
IAS 23, borrowing costs	4
IAS 24, Related Party Disclosures	17
IAS 32, financial instruments	17
IAS 33, earnings per share	7
IAS 37, provisions, contingent liabilities and contingent assets	17
IAS 38, intangible assets	16

C) Dichotomous method

Several previous studies have attempted to measure the level of corporate compliance with the mandatory disclosure requirements. In this sense, the most common approach is the Cooke's method (Hodgdon et al. 2008). This method refers to the approach 'dummy' of the disclosure index, according to Cooke (1989; 1992).

This method gives equal weight to items required to be disclosed by any standards. This gives important weights to standards containing more items.

This index is considered as unweighted because all items are treated in the same way. It was originally developed to measure compliance with the voluntary information. This method has been used by several previous studies to measure compliance with IAS (Abd-Elsalam and Weetman, 2003; Glaum and Street, 2003 and Hodgdon et al. 2008; Street and Bryant, 2000; Street and Gray, 2001).

If the information is disclosed, it is scored as 1 and if it is not, it is scored as 0. This is commonly known as the dichotomous method. However, it is not strictly dichotomous because some items are not applicable to all companies, and as a result, they are noted as 'not applicable' (NA).

From these items, we will calculate a compliance score for firm j in year t. Our disclosure index for each company is a relative measure, defined as the ratio of mandatory information actually provided by the company in year t to the maximum possible of score applicable for the company. It is defined as follows:

$$\mathrm{DIC}_j = \frac{T=\sum_{i=1}^{n} d_i}{M=\sum_{i=1}^{m} d_i}$$

Where DIC is the compliance score for each company and $0 \leq \mathrm{DIC}_J \leq 1$.
T is the total number of items disclosed (d_i) by firm j.
M is the maximum number of items that must be disclosed by firm j.

D) Partial compliance method (PC)

The dichotomous method requires a significant limit which is the considerable variation in the number of items included in each standard. Some standards require more items to disclose (21 items for IFRS 8), while others require less (3 items for IAS 18). As a result, standards requesting more information to disclose (standards containing more items) are indirectly not treated in the same way as those containing fewer items to disclose (Al-Shiab, 2003).

In this sense, Al-Shiab (2003) uses an alternative approach, named the partial compliance method. This method assumes that all standards have the same importance and consequently the same weight.

The second score noted PC_j is presented as follows:

$$\frac{\sum_{i=1} D_i}{N_j}$$

Where PC_j is the compliance score for each firm j. D_i is defined as the level of compliance with the mandatory disclosure requirements for each standard. Thus, the sum of these disclosure scores (D_i) is divided by the total number of items for each firm j, N_j

IV. RESULTS AND INTERPRETATION

A) Descriptive Statistics

The average of dichotomous index is 0.703, with a minimum of 0.36 and a maximum of 0.9. Thus, no firm during these two years is in full compliance with the mandatory disclosure requirements of IFRSs.

The average of DIC increases over time, indicating that the level of compliance with IAS / IFRS has improved. One possible explanation lies in the fact that companies are submitted to the market power to comply with the mandatory requirements of IAS / IFRS as long as the users of financial statements are concerned by these standards.

For each accounting standard, the average of compliance score for each year is shown in Table 3. The level of compliance has increased from 2009 to 2010 indicating that French firms listed on the NYSE Euronext converge more and more to a full compliance with IFRSs.

Table 2: DESCRIPTIVE STATISTICS OF THE COMPLIANCE INDEX

	Average	standard deviation	Minimum	Maximum
Dichotomous index: DIC	0,70377577	0,10763942	0,36036036	0,9
2009	0,67057708	0,09779433	0,36036036	0,81981982
2010	0,74256463	0,10714363	0,38636364	0,9
Partial compliance index: CP	0,72390753	0,09216057	0,45934874	0,9109707
2009	0,68827388	0,07834238	0,45934874	0,85280055
2010	0,75954119	0,07167664	0,51959679	0,9109707

B) Level of compliance with International Financial Reporting Standards

The compliance score during the two years passes from 0.64 for IFRS 8, IAS 23 and IAS 37 to 0.83 for IAS 18. The level of compliance is relatively high (more than 0.8) for IAS 18 and IAS 24. The lowest level of compliance is for IFRS 8 (less than 0.6). Compliance with standards, IAS 12, IAS 16, IAS 23, IAS 32, IAS 37, IAS 33 and IAS 38 is between 0.6 and 0.8.

One possible explanation for the high level of compliance with IAS 18, IAS 24 and IAS 16 is that it is easier to comply with these standards compared to other IFRSs generating significant cost of ownership and complex requirements.

Indeed, IAS 18 contains only three items which it is easy to comply. Table 3 shows that the average of compliance with IAS 18 has increased from 0.80 for 2009 to 0.86 in 2010.

For IFRS 8, the level of compliance has increased from 0.59 in 2009 to 0.68 in 2010. One possible explanation lies in the fact that the new version of this standard provides more focus and clearer definition about Operating segments than the original version (abd-Elsalam and Weetman, 2003).

However, the level of compliance with IFRS 8 is still insufficient. Prather and Meek (2004) explain this low level of compliance by the important cost of ownership needed to comply with this standard. In other words, the information disclosed may be useful to competitors to the detriment of the company.

Compliance with IAS 23 has increased from 0.61 in 2009 to 0.66 in 2010 with an average of 0.64. This low level of compliance can be explained by the fact that the standard of "borrowing costs" enter into force in 2009. So firms are not yet familiar with this standard.

Compliance with IAS 37 is the lowest compared to other standards. This may be due to the complex requirements of the standard "Provisions, Contingent Liabilities and Contingent Assets" and the large number of items needed to be disclosed. Therefore, it is difficult for firms to comply with this standard.

In conclusion, we noticed an improvement in the level of compliance with 10 standards during the two years. However, this improvement is modest, given that the level of compliance, on average, does not exceed 0.75. This level of compliance brings into question the effectiveness of enforcement mechanisms used by regulatory agencies and the nature of the audit.

Table 3: AVERAGE SCORE OF COMPLIANCE WITH EACH IAS / IFRS: DICHOTOMOUS METHOD

Standards	2009	2010	Average
IAS 12	0,68723815	0,7714901	0,72936413
IFRS 8	0,599023	0,68362136	0,64071793
IAS 16	0,73789882	0,82368608	0,78079245
IAS 18	0,80208333	0,8697167	0,8359375
IAS 24	0,77719766	0,84012139	0,80865953
IAS 23	0,66091954	0,61925287	0,64008621
IAS 32	0,6643705	0,76100424	0,71282065
IAS 37	0,61362551	0,68018298	0,64690425
IAS 33	0,65978423	0,72005208	0,68991815
IAS 38	0,71288486	0,77797125	0,74542805

C) Comparison between the two disclosure indexes

We note that the number of items varies considerably with each standard (Table 1): from 3 for IAS 18 to 21 for IFRS 8. This observation is important for the choice of the appropriate method to measure compliance.

Indeed, the Wilcoxon signed-rank test indicates that the two methods produce significantly different compliance scores. More specifically, the approach of partial compliance provides consistently higher compliance scores than the dichotomous approach when applied to our data. Therefore, our second hypothesis is accepted: the two compliance methods provide different scores.

Table 4: COMPARISON OF SCORES OF COMPLIANCE WITH BOTH METHODS

	Dichotomous index	partial compliance index
2009	0,67057708	0,68827388
Wilcoxon signed-rank test	Z=-2,713 p=0,007	
2010	0,74256463	0,75954119
Wilcoxon signed-rank test	Z=-2,682 p=0,008	

Table 4 shows that the compliance index for the dichotomous method is lower than the index for the partial compliance method. These results indicate that the importance of the number of items in each standard may cause false results of the compliance's level.

Thus, our results indicate that the method of partial compliance may provide less misleading results when we introduce standards with varied items in the calculation of the score. More specifically, when the dichotomous approach produces lower compliance scores, it may provide a misleading perception of the compliance's level with IFRSs (Tsalavoutas et al. 2010).

However, when the objective of the researcher is to measure compliance with each item, in spite of their belonging to standards, the dichotomous approach of Cooke may be more appropriate. Thus, when all items are part of a single standard such as IFRS dedicated to Small and Medium-Sized Entities, the dichotomous approach may be the only approach that can be applied. In such situation, the researcher has an opinion on the information to include in the checklist and therefore each item must be processed separately (Tsalavoutas et al. 2010).

Indeed, if the two methods produce significantly different compliance scores, researchers studying this topic should be very careful in the interpretation of their results. Thus, the use of the dichotomous approach in previous research may lead to false conclusions. The compliance score calculated using the dichotomous method may contain a margin of error due to the considerable variation between the numbers of items required by the various standards.

V. CONCLUSION

After the bankruptcy of major French firms, France has decided, starting from 2005, to adopt International Financial Reporting Standards. These standards will allow to attain a more transparent and comparable financial information that reflects a true and fair view of the economic and financial reality of the company. These benefits implicitly assume full compliance with the requirements of IAS/IFRS. In this vein, we can interrogate about the level of compliance of French firms with the mandatory disclosure requirements.

Our study is important and broadens the field of investigation of other studies. In fact previous researches examine compliance with the disclosure requirements of IAS/IFRS before 2005. They use the old version of IAS while our study refers to the IFRSs after their mandatory adoption in 2005. Furthermore, it employs two disclosure indexes and tests the difference between the levels of compliance. And finally, it provides evidence that France must redouble efforts to encourage companies to comply with IFRSs. Thus, the enforcement mechanisms and the nature of the audit must be questioned.

This paper outlines the level of compliance with IFRSs in an empirical perspective. We studied compliance through two approaches namely dichotomous method and partial compliance method.

Thereby, we used a sample of 118 French firms using the international accounting standards and declaring their compliance with IAS / IFRS.

Our results showed that none of the French firms listed on NYSE Euronext and declaring their compliance with the international accounting standards is in full compliance with IFRSs mandatory disclosure requirements. However, we notice an improvement in the level of compliance during the years of study.

Furthermore, the two disclosure indexes produce different scores of compliance. Indeed, the dichotomous approach may include a margin of error due to the considerable variation in the number of items from one standard to another. Thus, the partial compliance method treats in the same way accounting standards, in spite of the number of items. In other words, the dichotomous approach leads to more accurate conclusions when standards do not include a big difference in the number of items.

However, our study includes several limits that should be taken into consideration when interpreting the results. The first refers to the subjectivity of the disclosure method. Indeed, the disclosure index requires a judgment on the items applicable in order to avoid penalizing company for not disclosing inapplicable information. In this sense the entire annual report has been reviewed and a comparison was made between the annual reports of 2009 and 2010.

Another limitation may be the use of only ten standards to measure the disclosure index. Based on previous studies, we were able to identify standards where the use is common to all companies and that the level of compliance is the most controversial.

A final limitation may be the use of panel data of two time periods. This simple form of panel may be sufficient to give an assessment of the evolution on the compliance's level. The use of more years may provide more evidence on improving compliance over time due to the familiarity of firms with the new accounting standards.

REFERENCES

O.H. ABD-ESALAM, P. WEETMAN, Introducing International Accounting Standards to an emerging capital market: relative familiarity and language effect in Egypt. *Journal of International Accounting Auditing and Accountability*, 12 (2003), 63-84.

M. AL-SHIAB, Financial consequences of IAS adoption: the case of Jordan. PhD. Thesis, University of Newcastle, Upon-Tyne, UK, 2003.

M.J ALI, K. AHMED and D. HENRY, Disclosure compliance with national accounting standards by listed companies in South Asia. *Accounting and Business Research,* 34 (2004), 183-199.

D. CAIRNS, Compliance must be enforced. *Accountancy*. 122 (1998), 64–65.

D. CAIRNS, Degrees of compliance. *Accountancy*, 124 (1999), 114- 118.

T.E. COOKE, Disclosure in the corporate annual reports of Swedish companies. *Accounting and Business Research,* 19 (1989), 113-124.

T.E. COOKE, The impact of size, stock market listing and industry type on disclosure in the annual reports of Japanese listed corporations. *Accounting and Business Research,* 22 (1992), 229–237.

M. GLAUM, D.L. STREET, Compliance with the disclosure requirements of Germany's New Market: IAS versus U.S. GAAP. *Journal of International Financial Management and Accounting,* 14 (2003), 64–74.

C. HODGDON An empirical examination of the effect firm compliance with the disclosure requirements of IAS on the characteristics of analysts' earnings forecasts. PhD. Thesis, Virginia, Commonwealth University, USA. 2004

C. HODGDON, H. RASOUL, R.H. TONDKAR, D.V. HARLESS and A. ADHIKARI, Compliance with IFRS disclosure requirements and individual analysts' forecast errors. *Journal of International Accounting, Auditing and Taxation*, 17 (2008), 1–13. IASCF (2005), *revised constitution.*

C.W. NOBES, The Survival of International Differences under IFRS: Towards a Research Agenda. *Accounting and Business Research,* 36 (2006), 233–45.

J. PRATHER-KINSEY, G.K. MEEK, The Effect of Revised IAS 14 on Segment Reporting by IAS Companies. *European Accounting Review,* 13 (2004), 213-234.

SECURITIES AND EXCHANGE COMMISSION (SEC), Staff Observations in the Review of IFRS Financial Statements, http://www.sec.gov/, 2007.

D.L. STREET, S.J. GRAY. (2001). Observance of international accounting standards: Factors explaining noncompliance. Association of Chartered Certified Accountants. (ACCA) Research Report, No. 74, London, UK. 2001.

D.L. STREET, S.J. GRAY, S.M. BRYANT, Acceptance and observance of international accounting standards: An empirical study of companies claiming to comply with IASs. *The International Journal of Accounting*, 34 (1999), 11–48.

D.L STREET, S. M. BRYANT, Disclosure level and compliance with IASs: A comparison of companies with and without U.S. listings and filings. *The International Journal of Accounting*, *35* (2000) 305–329.

I. TSALAVOUTAS, Transition to IFRS and compliance with mandatory disclosure requirements: What is the signal?. *Advances in Accounting, incorporating Advances in International Accounting,* 27(2011) 390-405.

I. TSALAVOUTAS, L. EVANS and M. SMITH, Comparison of two methods for measuring compliance with IFRS mandatory disclosure requirements. *Journal of Applied Accounting Research,* 11 (2010), 213-228.