

Securities: issuers trading on a regulated market, transparency requirements

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The Commission presents a staff working document on the state of play on convergence between International Financial Reporting Standards (IFRS) and third country national Generally Accepted Accounting Principles (GAAP).

According to the [European Securities and Markets Authority \(ESMA\)](#) report, the four countries that were found equivalent to IFRS on a temporary basis until 31 December 2011 (China, Canada, India, and South Korea) have taken further steps in pursuing their convergence or adoption. The document examines the actions undertaken by each country.

China has already substantially converged its accounting standards with IFRS and is committed to eliminating the remaining, residual, differences.

In **India**, the latest developments introduce uncertainty about the country's commitment towards an IFRS-compliant financial reporting system. There is significant uncertainty as to whether India would adopt the IFRS or otherwise come up with a country-specific version with numerous modifications and carve-outs in some important areas, such as agriculture, financial instruments, negative goodwill, and real estate.

Other major economies have also recently announced their intention to adopt IFRS, such as **Argentina, Brazil, Mexico, and Taiwan**.

In **Russia**, there have been recent developments as far as the adoption of IFRS is concerned.

Commission services will continue to monitor the situation and assesses the efforts by third countries converging to IFRS or intending to adopt IFRS, with the technical assistance of ESMA.