

## PRESS RELEASE

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### The public at large benefits from strong accounting standards

**Hans Hoogervorst, Chairman of the International Accounting Standards Board (IASB), and Michel Prada, Chairman of the IFRS Foundation Trustees, which oversees the IASB, set out how acting in the public interest is at the core of the standard-setter's activities.**

In a new publication, entitled *Working in the public interest: the IFRS Foundation and the IASB*, the two Chairmen explain how International Financial Reporting Standards (IFRS) are created to bring transparency, accountability and efficiency to financial markets around the world. This is relevant to ordinary citizens—the public at large—because IFRS contributes to fostering trust, economic growth and long-term financial stability.

The publication describes the organisation's public interest focus by concentrating on three main topics:

- a discussion of who the **audience of IFRS** is, stating that the public at large is a stakeholder in the standard-setter's work; that investors are the primary audience but that financial reporting is also a vital source of information for the regulatory community;
- a look at the **characteristics of IFRS**, explaining that accounting standards aim to portray economic reality as faithfully and neutrally as possible, rather than shape it, and why this sometimes leads to heated debate as people's views on what is economic reality and how best to present it differ; and
- an explanation of the organisation's three-tier **structure, governance and funding**, describing the checks and balances in place to ensure independence of the IASB and how the ultimate oversight of the organisation lies with capital market authorities through the Monitoring Board.

Tackling some of the myths about the organisation and IFRS head-on, the publication says that IFRS is not tilted towards fair value, as some people believe. It also makes it clear that the IASB does not privilege commercial interests or certain types of investors or investment activities.

Hans Hoogervorst, IASB Chairman, commented:

*“High quality accounting standards keep capitalism honest and contribute to trust in the economy. As most citizens are investors either directly or indirectly, financial reporting is important to them because it is a pre-requisite for well-functioning capital markets.”*

IFRS Foundation Trustees Chairman, Michel Prada, said:

*“The IASB is a unique organisation with a specific three-tier structure which provides both technical independence and accountability. Some may find it unusual or even controversial. However, the remarkable spread of IFRS around the world shows that jurisdictions truly value the Standards and their contribution to global capital markets efficiency.”*

The publication can be found [here](#).

**End**

**Notes to editors:**

- Further discussion about who the primary audience of financial statements are can be found in the [Proposed revisions to the Conceptual Framework](#)
- Further information about the IASB, the IFRS Foundation Trustees and the Monitoring Board can be found [here](#)

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**About the IFRS Foundation, IASB and IFRS**

The IFRS Foundation is an independent, not-for-profit organisation, overseen by a Monitoring Board of public authorities. Its vision of a single set of global accounting standards is supported by G20 leaders and other international organisations with responsibility for the global financial system.

The mission of the IFRS Foundation is to develop International Financial Reporting Standards (IFRS) that bring transparency, accountability and efficiency to financial markets around the world, fostering trust, growth and long-term financial stability. The International Accounting Standards Board (IASB) is the standard-setting body of the IFRS Foundation, made up of independent experts from diverse professional and geographical backgrounds. IFRS is adopted by more than 100 countries globally.

For detailed information on the organisation’s structure, the standard-setting process and the spread of IFRS, visit [www.ifrs.org](http://www.ifrs.org).