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Big or small - don't ignore IAS

If you work for or advise SMEs, you could be forgiven for thinking that you need not worry about the axe hanging over Europe's listed companies - an axe that will require them to adopt international accounting standards by 2005. With so many of those directly affected doing little to prepare for change, surely those who are unaffected need to worry even less?

Accountancy Age leader, *Accountancy Age* 03 Sep 2003

Link: [IAS special report](#)

Nothing could be further from the truth.

The UK government has already decided all domestic companies - listed or unlisted - should be allowed to use IAS from 2005. While the position across the rest of Europe is less uniform and less certain, there are signals that IAS adoption could be required of many more than the 7,000 companies initially affected.

Last week, the Institute of Chartered Accountants in Ireland repeated its call for a decision on the adoption of IAS in the Republic of Ireland.

The ICAI has told the government in Dublin that IAS should be applied to all companies in the Republic with a three-year transitional period applied to facilitate the changeover.

That doesn't sound like an illogical request, nor one that should be confined to the Republic. It would bring uniformity, clarity and transparency to the accounts of all companies. Of course, it would bring problems, too.

The changeover would no longer just be about accountants within, and auditors of, larger companies having to understand and adhere to the rules - bank managers, tax officials and thousands of others would also be brought into the fold. But if IAS is a success among listed companies, more widespread adoption would be inevitable. Requiring it of other companies might only speed up - and simplify - the transition.

Besides, subsidiaries of listed companies may well be required by their parent to adopt the rules by 2005.

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