

Abstract

This research aims to find out the impact of harmonization of International Financial Reporting Standards on the key areas of financial reporting environment in Sudan. The main areas affected are the underlying principles of accounting, standards setting body with special features and functions for the body and its members, tax laws and regulations, related laws and regulations for companies and educational and training requirements for users of financial statements and the educational institutions.

To achieve this objective hypothesis were made to ensure realization of the objective.

The researcher has structured the research in five chapters. The first chapter tackles the methodology of the research. The second chapter has addressed the theoretical background of the effect of harmonization on the different areas of financial reporting environment. The third chapter has addressed the financial reporting environment in Sudan including the Generally Accepted Accounting Principles, the accounting standards setting body, tax regime, related laws and accounting training and education. The fourth chapter has been specified for the statistical analysis of data and testing the hypothesis of the research. The fifth chapter is allocated for the conclusions and suggestions.

The study reveals the acceptance of the hypothesis of the research and concluded to; International Financial Reporting Standards (IFRSs) should be adopted in Sudan as early as possible. The harmonization of IFRSs will affect the financial reporting environment in terms of valuation, definition, recognition and measurement by establishing a Generally Accepted Accounting Principles, a competent accounting standards body. The leading agencies in the field of financial reporting environment including tax, company laws and regulations and the accounting education and training will be affected by the changes introduced by harmonization.

The research suggests activating the laws regulating the accounting and auditing profession, to speed the formation of accounting standards setting committee, to review the accounting curricula in the undergraduate studies and review training and public awareness, the start of comprehensive study of IFRSs for selection of adoption method and to encourage tax and registrar of companies to play leading role in this issue.