



Tsalavoutas, I. (2017) The role and current status of IFRS in the completion of national rules: Evidence from Greece. *Accounting in Europe*, 14(1-2), pp. 102-112. (doi:[10.1080/17449480.2017.1298140](https://doi.org/10.1080/17449480.2017.1298140))

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The role and current status of IFRS in the completion of national law – Evidence from Greece

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February 2017

I gratefully acknowledge helpful comments received from the Editor (Paul André) and Dionysia Dionysiou. I am also grateful to Ms Nosi, director within the department of standing committees in the Greek Parliament, who offered me access to the minutes of the parliamentary standing committee on economic affairs that discussed the draft bill of Law 4308/2014. The paper was written during my research visit at Cyprus University of Technology.

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Abstract

Law 4308/2014 is the main regulation that transposed Accounting Directive 2013/34 of the EU into national law in Greece. This short paper summarises the underlying background and the process followed up to the issuance of this Law. It also outlines the key accounting principles introduced with this Law and how they compare with IFRS. This brief analysis indicates that, to a large extent, Greek accounting standards have now been aligned with IFRS. Given the preceding substantial differences between Greek accounting Laws and IFRS, this Law introduced significant changes to the accounting environment for non-listed companies in Greece, aiming at improving accounting quality and enhancing accounting comparability between listed and non-listed companies.

Keywords: Accounting Directive 2013/34/EU, Law 4308/2014, Greece, IFRS.

1. Introduction

The aim of this short paper is threefold. First, it aims at providing a brief overview of the process followed in Greece for the transposition of the Accounting Directive 2013/34/EU¹ (hereafter Directive) into national law. Second, it aims at shedding light on the key accounting principles for non-listed companies in Greece and their similarities to International Financial Reporting Standards (IFRS), as of today. Third, it aims at collating and thus making accessible to future researchers, the key sources related to the most recent legislations of accounting standards in Greece.

As indicated on the European Parliament's website, the transposition of the Directive into national law in Greece took place in three stages.² The first and more substantive stage was with the introduction of Law 4308/2014 on 24 November 2014.³ With this, to a large extent, Greece adhered to the requirement that Member States should bring into force the laws, regulations and administrative provisions necessary to comply with the Directive by 20 July 2015. Nevertheless, this Law did not incorporate provisions that would transpose 13 Articles of the Directive (i.e., 19, 20, 29, 30, 33, 35, and 40 to 46). Thus, at a later stage, Law 4336/2015 (14 August 2015)⁴ introduced some minor amendments to Law 4308/2014. More substantially, on 7 July 2016, Law 4403/2016⁵ introduced amendments to Law 4308/2014, transposing into national law all of the 13 Articles of the Directive that had not been considered previously.⁶

2. Legislating accounting standards in Greece and the introduction of Law 4308/2014

2.1. Responsibility of drafting and mandating accounting standards in Greece and the introduction of Law 4308/2014.

In May 2003, with the introduction of Law 3148/2003,⁷ Greece followed European Union (EU) guidelines and relevant developments in other countries, establishing an independent accounting and auditing oversight body: ELTE.⁸ ELTE has now become the national oversight body of the accounting and auditing profession by being responsible for the drafting of accounting and auditing standards as well as for the oversight of the professional exams.⁹

The responsibility of drafting accounting standards in particular, lies with the Accounting Standards Board (also known as SLOT¹⁰) within ELTE. Accounting standards have to be passed via the parliament for voting before becoming enforceable. However, SLOT has the authority to issue ‘Accounting Directives’ which can be binding. Moreover, it can issue ‘Interpretations’ (circulars) on various accounting matters which can also be binding. Further, it can provide non-binding ‘Opinions’ on accounting matters as well as non-binding ‘Responses’ to specific questions of technical accounting nature.

Within this context, in 2014, the Ministry of Finance set up a committee, the chairman of which was one of the four members of SLOT, to draft a bill that would be the basis for the transposition of the Directive into national law. Once the draft bill was ready, it was communicated with various key stakeholders. Subsequently, it became publicly available for consultation from wider audience on 21 October 2014 (deadline for responses was 30 October 2014).¹¹ As discussed in more detail below, the communication of the draft bill to various stakeholders allowed them to review it and share their views during the debate held in parliament in November 2014.

2.2. Background that lead to the content of the draft bill.

Accounting regulation in Greece has been characterised by extensive, complex, overlapping and in many cases dated rules, especially with regard to the period prior to 2005 (see Caramanis and Spathis, 2006; Tsalavoutas and Evans, 2010; Tsalavoutas et al., 2012; Tzovas, 2006). This has lead to a system that fosters “an excessive adherence to prescribed forms [. . .] without regard to inner significance” (Ballas et al., 1998, p. 279). This extensive set of regulations was often attributed to the close link between taxation and accounting rules and the fact that company and tax laws were amended partially over the years, without being revised as a whole to reflect modern forms of economic activity and business needs. Effectively, up until 2014, the backbone of the accounting and tax regulations was:

- Company Law 2190/1920, governing matters related to companies with the legal form of an Anonymi Etairia (AE, approximately comparable to the French Société Anonyme and German AG) i.e., listed companies and usually the largest non-listed companies;¹²
- Company Law 3190/1955, governing matters related to companies with the legal form of an Etairia Periorismenis Efthynis (EPE - approximately comparable to the UK Limited Liability Company, French Sarl and the German GmbH), usually middle-sized non-listed companies;
- Presidential Decree (PD) 186/1992 (Tax Law - known also as Code of Books and Records), which had been strongly influenced by French precedents and developments (Ballas, 1994; Ballas et al., 1998);
- Law 1041/1980 with which Greece adopted a General Accounting Plan closely based on the *French Plan Comptable*. This was amended in 1987 in accordance with the 4th and 7th EU directives¹³ (Ballas, 1994).¹⁴

In addition, by introducing Chapter 15 in Law 2190/1920, Article 13 in Law 3229/2004 introduced the mandatory implementation of IFRS by all Greek listed companies for the accounting periods starting on or after 1 January 2005. However, it also introduced the option for non-listed firms to adopt IFRS. From financial periods starting on or after 1 January 2007, non-listed financial and credit institutions formed as AE and state owned non-listed companies had to follow IFRS on a mandatory basis (Tourna, 2015: 272).

The sovereign debt crisis in Greece in 2010 resulted in the largest loan ever received by a single country (€110 billion). In response to this, the country committed to enacting a tough structural adjustment programme (Rüdig and Karyotis, 2014). Towards delivery of its commitments in the context of this adjustment programme, Greece received technical assistance from ‘The Task Force for Greece’, launched by President Barroso in July 2011. As discussed by Markazos (2014), soon after commencement of their supportive activities, the Task Force identified the uniqueness in the complexity of the accounting and tax laws, urging for major reforms in the tax laws in particular. The government effectively committed to abolish the Code of Books and Records (PD 186/1992)

and, on 27/4/2011, it established a committee that would review it. Following further negotiations between the Greek government and the Task Force, Law 4093/2012¹⁵ came into force from 1st January 2013.¹⁶ In practice, this was a simplified but temporary version of the old Code of Books and Records, as three of its more substantive Articles would stop being in force in one year. The government would have to establish a committee that would review the Code again in view of its simplification (see Article 14). Indeed, in May 2013, a working group was established and delivered a draft bill towards the end of 2013.

In parallel to this legislative activity with regard to corporate tax laws in Greece, the Directive got published in June 2013. Hence, the need to transpose the Directive into national law by July 2015 enabled the regulators in Greece to combine the reforms in relation to accounting principles for non-listed companies as required by the Directive with the necessary reforms related to the tax laws as required by the Task Force. This resulted in the draft bill of Law 4308/2014.

2.3. The draft bill and the relevant debate in Parliament.¹⁷

The draft bill contained eight chapters and its provisions were discussed across 40 Articles. It was also accompanied by five annexes. Chapter 3 (Articles 8 to 15) dealt with issues around invoicing related documentations. Effectively, these provisions simplified and replaced the requirements in PD 186/1992 and Law 4093/2012 (i.e., the Code of Books and Records). The remaining 32 Chapters transposed the provisions of the Directive with regard to accounting related issues into national law without dealing with auditing and non-financial reporting issues as mentioned earlier. These Chapters aimed at replacing the majority of articles in all the existing company Laws (i.e., 2190/1920, 3190/1955 and 1041/1980).

The draft bill was discussed at two stages. First, the parliamentary standing committee on economic affairs introduced and discussed the bill during four meetings held on 13, 14 (two meetings on that day) and 18 November 2014. The outcome of these discussions was a proposal for Parliament to vote in favour of the draft bill, with very minor amendments. Subsequently, on 19

November 2014, the members of Parliament discussed the bill and voted in majority, in principle, in favour of the Law. On 20 November, they discussed the bill again and voted, in majority, with regard to each Article separately (eventually endorsing each one of them with very minor amendments).

2.4 Details of the discussions in the parliamentary standing committee on economic affairs

The parliamentary standing committee on economic affairs held its first meeting to discuss the draft bill on 13 November 2014. According to the minutes of the meeting, 44 members of parliament (MPs) who represented all parties were present at the beginning of the session. The purpose of the meeting was to discuss the spirit of the draft bill and decide on it, favourably or unfavourably, in principle. The discussion did not mean to tackle content of specific Articles.

Only one representative from each party contributed to the debate, along with the deputy minister of finance at the time (i.e., eight speakers in total). Considering that the draft bill incorporated suggestions for reforms in well-established tax laws and practices that affect all types of companies, irrespective of size, the debate around its content did not focus only on accounting issues. Beyond company tax and invoicing related issues, discussants seemed concerned about the short period available for companies to introduce and implement so many changes in their tax and accounting systems. Additionally, discussants raised concerns about the proposed option for companies to apply the fair value model for certain assets. More generally, discussants seemed to be concerned that the accounting principles introduced with this Law are heavily based on IFRS and, as a result, this Law would effectively be the first step for introducing IFRS for all companies in Greece.¹⁸ Overall, three parties voted in favour of the draft bill, four parties reserved the right not to vote at that stage on the expectation to listen the views of the key stakeholders (i.e., representatives of key professional and business bodies) on the following day, and one party voted against the draft bill. However, given that the three parties who voted in favour had the majority of MPs in

Parliament, it was considered that the standing committee voted in favour of the Law, in principle, by majority.

The same committee held its second meeting to discuss the draft bill on the morning of 14 November 2014. According to the minutes, 21 MPs who represented all parties were present at the beginning of the session. The main purpose of this meeting was for key stakeholders to express their views on the draft bill. More specifically, representatives of the following eight organisations contributed to the debate: 1) Economic Chamber of Greece; 2) Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE); 3) Hellenic Confederation of Commerce and Entrepreneurship (ESEE); 4) Association of SAs and EPEs; 5) National Federation of Economists; 6) Greek Tourism Confederation (SETE); 7) Hellenic Federation of Tax Consultants (POFEE); 8) Hellenic Federation of Enterprises (SEV); and 9) Union of Hellenic Chambers.

From the speeches of all stakeholders, it becomes apparent that they had the time to reflect on the content of the draft bill and that they had already expressed their concerns and recommendations for improvements to the ministry of finance, either in written form or in private discussions. Additionally, all bodies seemed supportive of the new Law. Moreover, with the exception of the National Federation of Economists, all bodies seemed not to be concerned about the time available for implementing the new law and level of Greek companies. Finally, no body expressed the view that this law introduces IFRS to all non-listed firms, although most of them accepted the IFRS are the basis of the new accounting principles.¹⁹ It is noted that, in response to a question from an MP, the representative of the association of SAs and EPEs provided examples of why they believe that the proposed accounting principles are aligned with IFRS and why there would be high implementation costs for Greek companies. More specifically, he referred to the concept of recoverable amount and the indications of impairment as introduced to the Law and that these are directly derived from IAS 36 Impairments of Assets. Additionally, he referred to the newly introduced concept of net realisable value as derived from IAS 2 Inventories. What is somewhat surprising is that very little discussion was made on deferred tax. It is indicative that the issue of fair

value, which was also a newly proposed option for non-listed firms, was referred to 14 times during the discussion while the issue of deferred tax was mentioned only two times.

The committee held its third meeting to discuss the draft bill on the afternoon of 14 November 2014. According to the minutes of the meeting, 43 MPs who represented all parties were present at the beginning of the session. The main purpose of this meeting was to discuss and vote on each Article separately, following the reflections on the views of the key stakeholders expressed in the preceding meeting. The representatives of six parties spoke and made suggestions for minor changes/amendments to specific Articles. The deputy minister of finance concluded the discussion by responding to these comments and outlining which Articles reflect specific requirements of the Directive and, as a result, relevant amendments were not possible.

The committee held its fourth and final meeting to discuss the draft bill on the morning of 14 November 2014. According to the minutes, 40 MPs who represented all parties were present at the beginning of the session. Again, the representatives of six parties spoke, more or less repeating the suggestions for minor changes/amendments to specific Articles made during the previous meeting. The deputy minister of finance at the time concluded the discussion by responding to these comments. Following this two hour discussion the committee voted by majority in favour of the bill.

Following on from this, the draft bill was discussed in Parliament from MPs. More specifically, on Wednesday 19 November MPs voted in it in principle and on Thursday 20 November 2014 they voted with regard to each article separately. Most of the speakers during these two sessions were the same MPs who had presented their parties views during the debate of the standing committee of economic affairs the days preceded these sessions. The arguments put forward were more or less the same and the debate did not result alterations in the draft bill.²⁰

The final version of the Law that was voted in favour of on Thursday 20 November 2014 consists of eight Chapters, and its provisions are discussed across 44 Articles. It is also accompanied by four annexes. Chapter 3 (Articles 8 to 15) and Article 40 deal with company tax

and invoicing related issues. Article 44 sets the date that the Law became effective. The provisions in the Law had to be applied by companies from the financial periods started on or after 1 January 2015. On 31 December 2014 and 21 January 2015, respectively, the ministry of finance published supplementary guidance on the implementation of Law 4308/2014.²¹ These were superseded by the detailed Accounting Directive published by ELTE on 16 October 2015.²² This provides detailed implementation guidance on every single Article of the Law with regard to accounting matters.

3. Law 4308/2014 and IFRS

3.1. Key principles/requirements in Law 4308/2014.

Although not explicitly mentioned in it, many of the provisions in the Directive are informed by principles in IFRS. Considering that the Greek regulators effectively transposed the Directive in its entirety with minor amendments, many of the principles in Law 4308/2014 draw on IFRS. Additionally, it is stated explicitly that companies preparing their financial statements in accordance with this Law are allowed to seek for interpretative guidance within IFRS, to the extent that their provisions are not against this Law (Article 17, paragraph 7). ELTE's directive (paragraph, 17.6.1, page 57) explains that it is expected this provision to be useful to large companies that face more advanced accounting issues (such as, hedging, deferred taxes, interest capitalisation, defined benefit schemes and preparing consolidated financial statements). Arguably, although the statement in the Law and the guidance in ELTE's Directive seem to offer support to preparers, they should be considered as necessary steps. Upon reading the Law, a reader who is familiar with IFRS realises that the majority of the Law's mandatory and/or voluntary provisions are a summary of the key requirements/paragraphs in the various IFRS. Thus, a non-familiar with IFRS financial statements preparer would find it necessary to read through the remaining paragraphs of IFRS so as to apply accurately the Law's principles.

A brief summary of the key provisions of the Law is as follows. Chapter 1 outlines the categories of undertakings and groups, indicating the type of companies to which its provisions are applicable

(categories are the same as indicated in the Directive). A key requirement is that if a non-listed company decides to apply voluntarily IFRS as adopted by the EU, it shall apply them for five consecutive financial periods (Chapter 4, Article 1, paragraph 4). Chapter 2 outlines the provisions around the accounting systems and records that a company shall maintain. Given that Chapter 5 (Article 23) allows companies to recognise deferred taxes, this Chapter (Article 3, paragraph 5) also introduces the difference between the accounting and tax base of an asset and the need for accounting systems to maintain relevant records. The same Article (paragraph 8) introduces the option for companies to abandon the detailed accounting plan in place as at 31 December 2014 (i.e., Law 1041/1980) and apply a far more flexible and simplified version of it, as this is outlined in the third Annex. Nevertheless, paragraph 9 is critical in that it permits companies to maintain their accounting systems and records in accordance with accounting plan in place, providing that they adjust it accordingly to reflect the requirements of this Law. Article 4 makes explicit that the company's management is responsible for the reliability of the accounting system and the accuracy of the necessary and relevant accounting records which should be aligned with this Law and, at places, with IFRS.

Chapter 4 outlines the key accounting conventions, principles and assumptions for the preparation of financial statements. These reflect those in IFRS (e.g., accrual accounting, going concern, and materiality). Article 16 outlines the financial statements required across each size category and are summarised in Table 1 herein. It is noted that the examples of financial statements provided in Annex B of the Law draw on IFRS. ELTE's Directive (paragraph, 16.3.2, page 50) explains that this is done on purpose with the intention to increase financial statements comparability between non-listed companies applying this Law and companies applying IFRS.

TABLE 1 ABOUT HERE

Chapter 5 outlines the key recognition and measurement requirements which also heavily draw on IFRS. Chapter 6 outlines the information required to be presented in the footnotes of companies' financial statements, depending on size category. Chapter 7 tackles the issue of consolidated

financial statements. Table 2 provides a summary of the articles in the Law that reflect provisions in corresponding IFRS.

TABLE 2 ABOUT HERE

As inferred earlier, Table 2 illustrates that the majority of the mandatory and/or voluntary provisions in Law 4308/2014 are the main requirements in the majority of IFRS. However, it is noted that Article 30 exempts companies categorised as micro from the majority of complex requirements in the Law (options for measurement of assets at fair values, recognition of finance leases and deferred taxes, impairment of goodwill on an annual basis etc). These companies effectively apply the measurements utilised by the tax authorities for the computation of tax. As a result, companies classified as small, medium and large, more or less, have to apply IFRS from now on, as far as recognition and measurement are concerned.²³ This holds especially if companies opt for recognition of deferred tax and other options in the Law. Nevertheless, the same article introduces exemptions as far as mandatory disclosures are concerned, resulting in non-listed companies not to have to provide the extensive disclosures required under IFRS.

4. Conclusions

Law 4308/2014 is the main regulation that transposed Directive 2013/34 of the EU into national law in Greece. Reflecting on the dated and complex preceding accounting regulations in Greece, this Law can be considered a significant overhaul, improvement and simplification of accounting standards for non-listed companies in Greece. Thus, it is not surprising that the majority of political parties and almost all the business and professional bodies involved in the provision of comments to the draft bill were supportive of this change. Overall, it can be concluded that, to a large extent, Greek accounting standards have now been aligned with IFRS, aiming at improving accounting quality and enhancing accounting comparability between listed and non-listed companies.

¹ Full title: Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC Text with EEA relevance.

² <http://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32013L0034>.

³ Interested readers can download the Law via the website of the Government Gazette by choosing 2014 in the first tab and type the Law number (4308) in the second tab here: <http://www.et.gr/index.php/2013-01-28-14-06-23/search-laws>.

⁴ This Law is accessible by following the corresponding process described regarding Law 4308/2014 earlier.

⁵ This Law is accessible by following the corresponding process described regarding Law 4308/2014 earlier.

⁶ It is worth noting that this Law also transposed into national Law the Directive 2014/95/EU of the European Parliament and of the Council of 15 November 2014 with regard to non-financial reporting related matters.

⁷ This Law is accessible by following the corresponding process described regarding Law 4308/2014 earlier.

⁸ The full Greek name of ELTE is Επιτροπή Λογιστικής Τυποποίησης και Ελέγχων – ΕΛΤΕ (Epitropi Logistikis Typopiisis kai Elegchon – ELTE), which translates as the Accounting Standardisation and Auditing Committee.

⁹ Interested readers can obtain a full overview of the responsibilities and activities of ELTE by accessing its website (<http://elte.org.gr/index.php?lang=en>) and reading Caramanis et al., (2015) as a supplementary source.

¹⁰ The full Greek name of SLOT is Συμβούλιο Λογιστικής Τυποποίησης – ΣΛΟΤ (Symvouliao Logistikis Typopiisis – SLOT).

¹¹ Mentioned by Mr Mavraganis (deputy minister of finance at the time) during the discussion of the bill at the first meeting of the parliamentary standing committee on economic affairs (minutes of the meeting held on 13/11/2014). See also the corresponding page in the official website which lists bills for consultation: <http://www.opengov.gr/minfin/?p=4846>. It is noted that, during the same meeting, one member of parliament (Ms Theodora Tzakri) refers to a corresponding draft bill that became publicly available as early as November 2013. However, she did not make clear whether the draft bill she referred to related to the same draft bill that Markazos (2014) refers to and aimed at tackling the tax related reforms incorporated in Law 4308/2014 eventually – see below.

¹² This Law succeeded the Commercial law adopted in 1835 which was heavily based on the French Code (Tsalavoutas, 2009: 33).

¹³ The implementation of the 7th Directive came into force in 1990. There was no previous legal requirement for group accounts (Papas, 1993).

¹⁴ Ballas et al. (1998) highlight the significant differences in the objectives of the Greek and French accounting plans: in France these objectives were largely the collection of macro-economic data while it served fiscal objectives in Greece.

¹⁵ This Law is accessible by following the corresponding process described regarding Law 4308/2014 earlier.

¹⁶ This Law is known/entitled as Κώδικας Φορολογικής Απεικόνισης Συναλλαγών, which translates as Code of Transactions' Tax Display.

¹⁷ Relevant material (in Greek) can be accessed via the website of the Greek Parliament:

http://www.parliament.gr/Nomothetiko-Ergo/Anazitisi-Nomothetikou-Ergou?law_id=ac2b58c1-02d7-4066-b265-a3e000ba104f

¹⁸ The term IFRS was used 12 times throughout the three hour discussion.

¹⁹ The term IFRS was used 29 times throughout the two hour discussion.

²⁰ The minutes (in Greek) of the corresponding Parliamentary hearing are available here (pages 1792-1808; 1811-1814; 1998-2005; 2085):

<http://www.parliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20141119.pdf>

<http://www.parliament.gr/UserFiles/a08fc2dd-61a9-4a83-b09a-09f4c564609d/es20141120.pdf>

²¹ http://www.kodiko.gr/nomologia/document_navigation/103288/pol-1003-2014

http://www.publicrevenue.gr/kpi/public/blog/attach/files/rss/pol_1024_2015.pdf

²² http://www.elte.org.gr/images/files/pdf/Ellinika-Logistika-Protipa/Logistiki-Odigia-N4308_2014.pdf

²³ Tsalavoutas and Evans (2010) report in detail the significant differences between IFRS and Greek accounting standards as at 2005. Analysis of their appendix along with Table 2 in here illustrates the significant convergence between the two sets of standards.

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Table 1 – Financial statements required, depending on company size

	Size category				
	Micro		Small	Medium	Large
	Article 1, Paragraph 2				
Income statement	√	√	√	√	√
Financial statements' footnotes	√	√	√	√	√
Balance sheet		√	√	√	√
Statement of changes in shareholders' equity				√	√
Cash flow statement					√

Table 2 – Summary of key accounting similarities between IFRS and Greek accounting law (Law 4308/2014).

Specific IAS/IFRS	Article & specific paragraphs in Law 4308/2014	Comment
IAS 2 Inventories	Article 20	In general, policies are the same as in IAS 2.
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Article 28	Policy is the same as in IAS 8 (paragraphs 19 & 36, respectively).
IAS 10 Events after the Reporting Period	Article 17 § 8	Policy is the same as in IAS 10 (paragraph 8, in relation to adjusting events after the reporting period)
IAS 11 Construction Contracts	Article 25 § 4	Policy is the same as in IAS 11 (paragraph 22, in relation to the stage of completion of a contract or commonly known as percentage of completion method). Alternatively, companies can recognise revenue upon completion of the contract, referred to as the 'completed contract method'.
IAS 12 Income Taxes	Article 23 § 3 - 5	When a company elects to recognise deferred tax assets and liabilities, the process for doing so is the same as prescribed in IAS 12.
IAS 16 Property, Plant and Equipment	Article 18 § 1 - 4 Article 24 § 5	In general, policies are similar to those in IAS 16 with the exception that if the revaluation model is selected, revaluations have to be carried out at least every four years. Revaluations are permitted only for land and buildings – not for any other tangible asset. Additionally, only the three commonly known methods of depreciation are permitted (straight-line, unit of production and declining balance).
IAS 17 Leases	Article 18 § 5 - 6	In general, policies are the same as in IAS 17, distinguishing finance from operating leases.
IAS 20 Accounting for Government Grants and Disclosure of Government Assistance	Article 23 § 1 & 2	In general, policies are the same as in IAS 20. However, no clear definition of government grant is provided in the Law.
IAS 23 Borrowing Costs	Article 18 § 2 Article 20 § 5	In general, policies are the same as in IAS 23.
IAS 27 Consolidated and Separate Financial Statements	Article 31 Article 32 Article 33 Article 34	In general, policies are the same as in IAS 27.
IAS 28 Investments in Associates and Joint Ventures IFRS 11 Joint Arrangements	Article 35	Investments in Associates and Joint Ventures are recognised with the equity method. Goodwill paid over the investee's cost of which the useful life cannot be estimated with reliability is amortised over a period of ten years.
IFRS 3 Business Combinations IAS 36 Impairment of Assets	Article 18 § 3 Article 19 § 4 & §6 - 8	Goodwill can be recognised as an intangible asset with indefinite useful life, unless the company is unable to verify that this is the case. In general, policies are the same as in IAS

		36 with regard to impairment of goodwill and assets' indications of impairment.
IFRS 3 Business Combinations IAS 38 Intangible Assets	Article 18 § 1 & § 3	Policies are similar to those in IAS 38 and IFRS 3 with the following exceptions: a) goodwill, capitalised development costs and intangible assets of which the useful lives cannot be estimated with reliability are amortised over a period of ten years; and b) the revaluation or fair value models cannot be applied to intangible assets.
IAS 32 Financial Instruments: Presentation IAS 39 Financial Instruments: Recognition and Measurement	Article 19 Article 22 Article 24 Article 26	In general, policies are the same as in IAS 32 and IAS 39.
IAS Standard 37 Provisions, Contingent Liabilities and Contingent Assets	Article 22 § 11 & § 12	The Law is generally brief in what a provision is. However, it is required provisions to be recognised at the value expected to be settled. In fact, if it is considered that the costs will be material, the company needs to measure them at the present value of the expected value of settlement and add any relevant interest.
IAS 40 Investment Property	Article 24 § 6	In general, policies are the same as in IAS 40 with the exception that, if the fair value model is selected, revaluations have to be carried out at least every two years.
IAS 41 Agriculture	Article 18 § 1 - 4 Article 24 § 7	A biological asset shall be measured on initial recognition at its fair value less costs to sell. Subsequently, companies can either follow the cost model or have the option to maintain this fair value model at the end of each reporting period.