

Activists inspire accounting review

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Published: September 22 2006 03:00 | Last updated: September 22 2006 03:00

The rulemakers for global accounting have agreed for the first time to review some of their practices in response to pressure from non-governmental organisations critical of mining and oil companies.

The International Accounting Standards Board decided that a coalition of some 80 NGOs had raised legitimate questions about what it could do to improve the transparency of oil and mining groups operating in the developing world.

The coalition wants the IASB to require country-by-country reporting on the operations of multinational companies.

Greater transparency - including country-specific information on turnover, profit, taxation and payments to governments - would enable stakeholders to better assess the impact of companies' activities, the NGOs say.

At a regular public meeting on Wednesday the board, which sets rules in force in almost 100 countries, but not the US, agreed to examine the coalition's arguments.

Wayne Upton, IASB re-search director, said: "They make the case there are investor interests, public policy interests and interests among other users of financial reporting, and the combination of those things persuaded the board it should reach out to other groups to get their views."

Support among the 14 board members varied, but they agreed to establish a sub-group to address the issues and engage with others including the International Monetary Fund, the World Bank and the Financial Stability Forum.

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