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NGOs criticise IASB proposals

The technicians who set global accounting rules have been accused of spurning a chance to improve the transparency of oil and mining companies operating in the developing world. A coalition of about 80 non-governmental organisations says the International Accounting Standards Board has given short shrift to proposals that could improve the accountability of businesses and governments in resource-rich countries.

It marks the first time the IASB has been sucked into the heated debate over the impact of extractive industries and its first confrontation with NGOs staking a claim as users of financial information.

Greater transparency – including country-specific information on turnover, taxation and payments to government – would enable stakeholders better to assess the nature and impact of companies' activities, say the NGOs, which include Transparency International, Save the Children and Care.

The IASB is proposing to drop geographical “segment reporting” requirements. For many companies this would lead to reporting at the regional level only, and for some it would end geographical reporting entirely.