DUAL-FRAMEWORK GUIDE

A COMPARATIVE ANALYSIS FOR FINANCE PROFESSIONALS

IFRS vs US GAAP

Two Global Accounting Frameworks, Side by Side

A structured walk-through of how International Financial Reporting Standards and United States Generally Accepted Accounting Principles diverge and converge — across presentation, recognition, classification, and measurement.

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ROADMAP

What We Will Cover

1 **Conceptual Foundations**

Principles vs rules, standard-setters, and global adoption.

2 **Financial Statement Presentation**

Income statement, balance sheet, cash flow, interim reporting.

3 **Recognition & Classification**

R&D, tax, investment property, leases, contingencies, consolidation.

4 **Measurement**

Inventories, fixed assets, intangibles, and revenue recognition.

5 **Recent Convergence**

IFRS 16 vs ASC 842, debt issuance costs, financial instruments.

6 **Beyond the Core**

Business combinations, EPS, and segment reporting.

7 **Practical Implications**

Why the differences matter for multinational groups.

8 **Key Takeaways & Summary**

A consolidated at-a-glance comparison for quick reference.

PART I — FOUNDATIONS

Conceptual Foundations

Why two frameworks exist, who governs them, and how far each has travelled around the world.

FOUNDATIONS

Two Philosophies, One Objective

Both frameworks aim to give investors decision-useful financial information — but they get there through different design philosophies. (IFRS: Conceptual Framework, 2018 · US GAAP: FASB Concepts Statements, CON 1–8)

IFRS

- Principles-based: standards set out an objective and broad guidance, leaving room for judgement.
- Fewer bright-line tests — professional judgement and disclosure of that judgement matter more.
- A single conceptual framework applies across all IFRS standards.
- Tends to produce shorter standards focused on economic substance.

US GAAP

- Rules-based: standards are typically more detailed and prescriptive, with specific thresholds.
- Bright-line tests are common (e.g. specific percentage or dollar thresholds).
- The FASB Accounting Standards Codification (ASC) organises rules by topic.
- Tends to produce longer, more granular standards intended to reduce interpretive variance.

GOVERNANCE

Standard-Setters & Governance

Each framework is maintained by its own independent standard-setting body, overseen by a foundation.

1

IASB

The International Accounting Standards Board sets IFRS, overseen by the IFRS Foundation, headquartered in London.

2

IFRS Interpretations Committee

Issues IFRICs — interpretive guidance that clarifies how existing standards should be applied.

3

IOSCO Endorsement

Securities regulators across most jurisdictions recognise IFRS for cross-border listings.

4

FASB

The Financial Accounting Standards Board sets US GAAP, overseen by the Financial Accounting Foundation, based in Norwalk, Connecticut.

5

SEC Oversight

The U.S. Securities and Exchange Commission has statutory authority over accounting standards used by U.S. public companies.

6

ASC Codification

All authoritative US GAAP is organised into the single Accounting Standards Codification, effective since 2009.

GLOBAL REACH

Global Adoption & Convergence

IFRS has become the de facto global language of financial reporting outside the United States.

140+

Jurisdictions

Require or permit IFRS for domestic listed companies, including the EU, UK, Australia, and Canada.

2007

SEC Milestone

The SEC began allowing foreign private issuers to file IFRS financial statements without a US GAAP reconciliation.

1

Domestic Market

The United States remains the largest capital market still reporting exclusively under its own national GAAP.

PART II — PRESENTATION

Financial Statement Presentation

How the same underlying transactions are arranged, ordered, and disclosed across the primary statements.

PRESENTATION

The Income Statement

Both require a statement of comprehensive income, but the comparative period requirement differs. (IFRS: IAS 1 · US GAAP: ASC 220 / Regulation S-X)

IFRS

- Two years of income statement data are required for a complete set of financial statements.
- No prescribed income statement format — entities may present by nature or by function.
- Presentation of exceptional or unusual items is guided by IFRS 18, effective for periods beginning on or after 1 January 2027.

US GAAP

- Three years of income statement data are required for SEC registrants.
- Regulation S-X prescribes more specific line-item and disclosure requirements.
- Extraordinary item classification was eliminated in 2015, aligning presentation more closely with IFRS.

PRESENTATION

The Balance Sheet

Both statements report the same categories of assets, liabilities, and equity — but in a different order. (IFRS: IAS 1 · US GAAP: ASC 210)

IFRS

- Increasing order of liquidity is typical: non-current items are usually presented before current items.
- Current assets and liabilities are still separately classified when a classified balance sheet is presented.
- No single mandated format — local practice and industry convention influence layout.

US GAAP

- Decreasing order of liquidity is standard: current assets and liabilities are presented before non-current.
- A classified balance sheet separating current and non-current items is the near-universal norm.
- Regulation S-X provides more prescriptive line-item guidance for public companies.

PRESENTATION

The Statement of Cash Flows

The three-way classification into operating, investing, and financing activities is shared — the flexibility within it is not. (IFRS: IAS 7 · US GAAP: ASC 230)

IFRS

- Interest paid, interest received, and dividends received may be classified in operating, investing, or financing activities, applied consistently.
- Dividends paid may be classified as an operating or a financing activity.
- This flexibility can reduce comparability between IFRS preparers on this single line item.

US GAAP

- Interest paid, interest received, and dividends received are classified within operating activities from cash flows.
- Dividends paid are classified as a financing activity — no choice permitted.
- Bank overdrafts are generally classified as a financing activity rather than a cash equivalent.

PRESENTATION

Interim Reporting & Accounting Policies

Two smaller but frequently tested presentation differences round out this section. (IFRS: IAS 34 & IFRS 10 · US GAAP: ASC 270 & ASC 810)

IFRS

- Each interim period is treated as an integral part of the full fiscal year (the integral approach).
- Accounting policies applied by subsidiaries within a consolidated group must be uniform.
- Any departure from uniform policy requires adjustment on consolidation, not disclosure alone.

US GAAP

- Each interim period is also treated as an integral part of the full fiscal year — this principle is shared.
- Subsidiaries are not required to use uniform accounting policies within a consolidated group.
- Variations in accounting policy across the group must instead be disclosed in the consolidated financial statements.

WORKED ILLUSTRATION

Illustration — Balance Sheet Ordering Compared

The same trial balance, arranged under IAS 1 (IFRS) and ASC 210 (US GAAP) presentation conventions.

Line Item	IFRS Order (Increasing Liquidity)	US GAAP Order (Decreasing Liquidity)
1	Property, plant & equipment	Cash & cash equivalents
2	Intangible assets	Trade receivables
3	Long-term investments	Inventories
4	Inventories	Long-term investments
5	Trade receivables	Intangible assets
6	Cash & cash equivalents	Property, plant & equipment

PART III — RECOGNITION & CLASSIFICATION

Recognition & Classification

Where the two frameworks draw fundamentally different lines around what qualifies as an asset, liability, or category of its own.

Research & Development Costs

The treatment of development costs is one of the most consequential recognition differences between the two frameworks. (IFRS: IAS 38 · US GAAP: ASC 730)

IFRS

- Research costs are always expensed as incurred.
- Development costs are capitalised once specific criteria are met — technical feasibility, intent, ability, and probable future economic benefit.
- Capitalised development costs are amortised over their useful life once available for use.

US GAAP

- Substantially all R&D costs are expensed as incurred — there is no capitalisation threshold based on technical feasibility.
- Notable exceptions exist for certain software development costs and costs of developing films and other content.
- This produces materially different balance sheets for R&D-intensive industries such as pharmaceuticals and technology.

Deferred Tax Assets

Both frameworks arrive at broadly similar numbers through different recognition mechanics. (IFRS: IAS 12 · US GAAP: ASC 740)

IFRS

- A deferred tax asset is recognised only to the extent it is probable — generally interpreted as more likely than not, or greater than 50% likely — that future taxable profit will be available.
- There is no separate valuation allowance concept: the recognition threshold itself does the work.

US GAAP

- All deferred tax assets are recognised in full, then reduced by a valuation allowance.
- A valuation allowance is recorded when it is more likely than not (greater than 50%) that some or all of the deferred tax asset will not be realised.

PROPERTY CLASSIFICATION

Investment Property & Biological Assets

Both areas exist as distinct categories under IFRS but are absorbed into broader, more familiar categories under US GAAP. (IFRS: IAS 40 & IAS 41 · US GAAP: ASC 360 & ASC 905)

IFRS

- Investment property is a separate balance sheet category under IAS 40, with a choice of the cost model or the fair value model.
- Biological assets are measured at fair value less costs to sell under IAS 41, separate from inventory, generally within fixed assets.

US GAAP

- There is no separate investment property category — qualifying property is included within property, plant, and equipment at historical cost.
- Biological assets have no dedicated standard and are typically included within inventory, generally at the lower of cost or net realisable value.

Lease Classification on the Balance Sheet

IFRS 16 collapsed the lessee model into a single category; US GAAP retained a dual classification even after its own overhaul. (IFRS: IFRS 16 · US GAAP: ASC 842)

IFRS

- A single category applies to lessees — leases over twelve months are recognised as right-of-use assets with a corresponding lease liability.
- There is no operating versus finance lease distinction for lessees; the income statement effect is depreciation plus interest for all qualifying leases.

US GAAP

- Leases over twelve months are recognised on the balance sheet, but a dual classification is retained: operating leases and finance leases.
- Operating leases produce a single straight-line lease expense; finance leases produce separate interest and amortisation, mirroring pre-2019 capital leases.

CONTINGENCIES

Contingent Liabilities

Both frameworks use a probability threshold and a reliable-estimate test — but they set the bar at different heights. (IFRS: IAS 37 · US GAAP: ASC 450)

IFRS

- Recognised as a provision when an outflow of resources is probable — commonly interpreted as more likely than not, or greater than 50% — and the amount can be estimated reliably.
- Measurement methods for provisions differ in detail from US GAAP, including the use of expected value in some circumstances.

US GAAP

- Recognised as a liability when the loss is probable — a threshold commonly interpreted in practice as substantially higher, often cited around 75-80% — and the amount is reasonably estimable.
- The stricter probability threshold under US GAAP typically results in fewer, later contingent liability recognitions than under IFRS.

Consolidation & Non-Controlling Interest

Group accounting shares the same acquisition-method backbone, but push-down accounting and NCI measurement choices diverge. (IFRS: IFRS 10 & IFRS 3 · US GAAP: ASC 810 & ASC 805)

IFRS

- Push-down accounting is not permitted.
- Non-controlling interest may be measured at its proportionate share of net assets, or at fair value (the full goodwill method) — an accounting policy choice made acquisition by acquisition.

US GAAP

- Push-down accounting is optional for private companies and required in certain circumstances for public companies.
- Non-controlling interest must be measured at fair value — only the full goodwill method is permitted, with no proportionate-share alternative.

Government Grants & Assistance

Public-sector assistance is recognised on very different bases under the two frameworks. (IFRS: IAS 20 · US GAAP: ASC 832)

IFRS

- IAS 20 requires grants to be recognised in profit or loss on a systematic basis over the periods in which the related costs they compensate are incurred.
- Grants related to assets may be presented either as deferred income or by deducting the grant from the asset's carrying amount.
- A grant is not recognised until there is reasonable assurance the entity will comply with its conditions and that the grant will be received.

US GAAP

- ASC 832 (periods beginning after 15 December 2021) requires disclosure of the nature and accounting policy for government assistance, but does not itself prescribe recognition and measurement.
- In practice, most entities apply IAS 20 by analogy, a gain-contingency model under ASC 450-30, or a contribution model under ASC 958-605.
- This absence of a dedicated US GAAP recognition-and-measurement standard is a notable structural gap compared with IFRS.

WORKED ILLUSTRATION

Illustration — Recognition Thresholds Compared

The same probability of outflow, assessed for provision recognition under IAS 37 (IFRS) and ASC 450 (US GAAP).

Assessed Probability of Outflow	IFRS Treatment (Provisions)	US GAAP Treatment (Contingencies)
30% — Possible	Disclose as a contingent liability only	Disclose as a contingent liability only
55% — More likely than not	Recognise a provision	Continue to disclose only — below the higher US threshold
80% — Probable (US GAAP threshold)	Recognise a provision	Recognise a liability
95% — Virtually certain	Recognise a provision	Recognise a liability

PART IV — MEASUREMENT

Measurement

Once an item is recognised, how is it valued — and can that value ever move upward?

Inventories & Cost Formulas

Inventory costing is a textbook example of a rules difference with real tax and reported-earnings consequences. (IFRS: IAS 2 · US GAAP: ASC 330)

IFRS

- LIFO (last-in, first-out) is not permitted.
- The same cost formula must be applied to all inventories of a similar nature.
- Write-downs to net realisable value must be reversed in a later period if conditions that caused the write-down no longer exist.

US GAAP

- LIFO is permitted alongside FIFO and weighted-average, and remains common — particularly in the oil and gas sector — largely for its tax benefits.
- Different cost formulas may be used across different inventory groups.
- Once a write-down is recorded, it may not be reversed even if net realisable value later recovers.

FIXED ASSETS

Property, Plant & Equipment

IFRS offers an upward revaluation option that US GAAP simply does not have. (IFRS: IAS 16 · US GAAP: ASC 360)

IFRS

- Entities may elect the revaluation model, allowing carrying value to increase or decrease as fair value changes.
- Component depreciation is required — separately identifiable parts of an asset with different useful lives must be depreciated separately.

US GAAP

- Fixed assets are measured at historical cost; value can only decrease through depreciation or impairment — it can never be written back up.
- Component depreciation is permitted but not required in practice, so it is applied far less consistently than under IFRS.

Intangible Assets

The same revaluation-model divergence seen in PP&E repeats for intangible assets. (IFRS: IAS 38 · US GAAP: ASC 350)

IFRS

- Fair value (revaluation) accounting is allowed for intangible assets, though in practice it is rarely elected because it requires an active market — genuinely rare for most intangibles.
- Indefinite-life intangibles and goodwill are tested for impairment at least annually, never amortised.

US GAAP

- Intangible assets are carried at historical cost — there is no revaluation model available under any circumstance.
- Indefinite-life intangibles and goodwill are also tested for impairment rather than amortised, aligning with the IFRS approach on this point.

IMPAIRMENT

Impairment of Non-Financial Assets

Both frameworks write assets down when carrying amount is no longer recoverable — but the test and reversal rules differ sharply. (IFRS: IAS 36 · US GAAP: ASC 350 & ASC 360)

IFRS

- IAS 36 tests for impairment when indicators exist, and at least annually for goodwill and indefinite-life intangibles, comparing carrying amount with recoverable amount.
- Recoverable amount is the higher of fair value less costs of disposal and value in use — a single-step test applied directly.
- Impairment losses on assets other than goodwill are reversed if recoverable amount later recovers; goodwill impairment is never reversed.

US GAAP

- ASC 360 (long-lived assets) applies a two-step test: an undiscounted cash flow recoverability screen, then fair-value measurement only if that screen fails.
- ASC 350 tests goodwill at the reporting-unit level, at least annually, comparing carrying amount with fair value directly — no undiscounted screen for goodwill.
- No impairment reversal is permitted for any asset once recognised — long-lived assets, intangibles, and goodwill are all written down on a one-way basis.

Revenue Recognition Standards

IFRS 15 and ASC 606 emerged from the same joint IASB-FASB project and are now substantially converged. (IFRS: IFRS 15 · US GAAP: ASC 606)

IFRS

- IFRS 15, effective 2018, applies a conceptual five-step recognition framework built around the transfer of control.
- For licences of intellectual property, revenue may be recognised at a point in time if the licensor undertakes no further activity affecting the customer's ability to benefit from the licence.

US GAAP

- ASC 606, also effective 2018, applies the same five-step model, developed jointly with the IASB.
- A policy election exists for shipping and handling activities occurring after control transfers; licences of symbolic intellectual property generally recognise revenue over time.

SHARED FRAMEWORK

Illustration — The Five-Step Revenue Model

Both IFRS 15 and ASC 606 apply the identical sequence — differences arise only in the fine print of individual steps.

1

1. Identify the Contract

Establish that a contract with a customer exists and creates enforceable rights and obligations.

2

2. Identify Performance Obligations

Determine the distinct promises to transfer goods or services within the contract.

3

3. Determine the Transaction Price

Estimate the consideration expected in exchange for the promised goods or services.

4

4. Allocate the Transaction Price

Allocate the price to each performance obligation, generally based on relative standalone selling prices.

5

5. Recognise Revenue

Recognise revenue as each performance obligation is satisfied — at a point in time or over time.

!

Minor Divergences Remain

Collectibility thresholds, contract-cost guidance, and licensing nuances still differ in application detail.

PART V — RECENT CONVERGENCE

Recent Convergence

Two decades of joint IASB-FASB projects have narrowed several long-standing gaps — though rarely closed them completely.

LEASES

IFRS 16 vs ASC 842

Both standards moved leases onto the balance sheet in 2019 — the point of departure is what happens next, in the income statement.

IFRS

- IFRS 16 (effective 2019): a single on-balance-sheet model for lessees. All qualifying leases produce a right-of-use asset and a lease liability.
- No finance/operating lease distinction remains for lessees — every lease produces depreciation and interest expense.

US GAAP

- ASC 842 (effective 2019): leases over twelve months are also recognised as right-of-use assets with lease liabilities.
- Unlike IFRS 16, ASC 842 distinguishes between operating and finance leases, preserving a straight-line expense pattern for operating leases.

Debt Issuance Costs — A Convergence Success

This is one of the cleaner examples of US GAAP moving to align with long-standing IFRS practice. (IFRS: IAS 32 & IFRS 9 · US GAAP: ASC 835-30)

IFRS

- No change was required — debt issuance costs have long been netted against the carrying amount of the outstanding debt, effectively as a discount on the liability.
- The costs are amortised into the income statement over the life of the instrument using the effective interest method.
- This treatment has been the settled IFRS position for many years, predating the equivalent US GAAP reform by more than a decade.

US GAAP

- Prior to 2015, debt issuance costs were capitalised as a separate deferred asset rather than netted against the related liability.
- ASU 2015-03 amended US GAAP so that debt issuance costs are now also netted against the outstanding debt balance, rather than shown separately.
- The change removed a presentation difference that had no economic substance — both frameworks now report the same net liability figure.

Expected Credit Losses

Both frameworks moved from an incurred-loss model to a forward-looking expected-loss model after the 2008 financial crisis — but the mechanics differ. (IFRS: IFRS 9 · US GAAP: ASC 326)

IFRS

- IFRS 9 applies a three-stage expected credit loss (ECL) model, with loss allowances moving between 12-month and lifetime expected losses as credit risk changes.
- Classification and measurement rest on a business-model test combined with a contractual cash flow characteristics (SPPI) test.

US GAAP

- The Current Expected Credit Loss (CECL) model under ASC 326 requires a single lifetime expected-loss estimate to be recognised at initial recognition.
- Classification retains separate categories — held-to-maturity, available-for-sale, and trading — rather than the IFRS 9 business-model approach.

SCORECARD

Convergence Scorecard

Two decades of joint projects have produced real alignment in some areas, while others remain structurally distinct.

✓

Largely Converged

Revenue recognition (IFRS 15 / ASC 606), business combinations (IFRS 3 / ASC 805), and earnings per share (IAS 33 / ASC 260).

~

Partially Converged

Leases (IFRS 16 / ASC 842 — on-balance-sheet, but lessee classification still differs) and expected credit losses (IFRS 9 / ASC 326).

✗

Still Divergent

Inventory costing (IAS 2 / ASC 330 — LIFO), R&D capitalisation (IAS 38 / ASC 730), revaluation of PP&E and intangibles (IAS 16, 38 / ASC 360, 350), and NCI measurement (IFRS 3 / ASC 805).

PART VI — PRACTICAL IMPLICATIONS

Beyond the Core

A brief look at three further areas of substantial alignment, followed by why all of this matters in practice.

Business Combinations & Goodwill

IFRS 3 and ASC 805 share the same acquisition-method backbone as a result of a joint 2008 convergence project. (IFRS: IFRS 3 · US GAAP: ASC 805)

IFRS

- Non-controlling interest may be measured at fair value or at its proportionate share of identifiable net assets — an acquisition-by-acquisition policy choice.
- A bargain purchase (negative goodwill) is recognised immediately as a gain in profit or loss.

US GAAP

- Non-controlling interest must be measured at fair value on every acquisition — no proportionate-share alternative is available.
- A bargain purchase is also recognised immediately as a gain, mirroring the IFRS treatment on this specific point.

Earnings Per Share & Segment Reporting

These are two of the most closely aligned areas in the entire comparison — genuinely worth highlighting as a similarity, not a difference. (IFRS: IAS 33 & IFRS 8 · US GAAP: ASC 260 & ASC 280)

IFRS

- IAS 33 and ASC 260 apply near-identical basic and diluted EPS formulas, including the treasury stock method for options and the if-converted method for convertibles.
- IFRS 8 segment reporting was itself modelled on the pre-existing US GAAP management approach, producing closely aligned segment disclosures.

US GAAP

- ASC 260 mirrors the IAS 33 mechanics closely enough that EPS is rarely a source of reconciling difference between the two frameworks.
- ASC 280 established the management approach to segment reporting that IFRS 8 subsequently adopted — the two remain substantially aligned today.

Employee Share-Based Payment

Equity-settled awards are expensed under both frameworks, but grant-date measurement and forfeiture mechanics diverge. (IFRS: IFRS 2 · US GAAP: ASC 718)

IFRS

- IFRS 2 measures equity-settled awards at grant-date fair value, expensed over the vesting period with no subsequent remeasurement.
- Forfeitures are estimated at grant date and trued up over the vesting period as actual forfeitures occur or expectations change.
- Graded-vesting awards are treated as a series of separate awards, each tranche expensed over its own vesting period (accelerated attribution).

US GAAP

- ASC 718 also measures equity-settled awards at grant-date fair value, converging closely with IFRS 2 since FASB's 2004 revision.
- Entities may elect to estimate forfeitures at grant date (as under IFRS 2) or recognise forfeitures as they occur — a policy choice IFRS does not offer.
- Graded-vesting awards may be expensed straight-line over the total vesting period or on an accelerated tranche-by-tranche basis, an accounting policy election.

WHY IT MATTERS

Why It Matters for Multinational Groups

These differences are not academic — they surface directly in cross-border transactions and reported performance.

1

Cross-Border M&A

NCI measurement and goodwill mechanics affect the acquisition accounting a buyer sees on Day One.

2

Dual Listings

Companies listed in both a US and an IFRS jurisdiction must manage two sets of books or a robust reconciliation process.

3

Group Reporting

Subsidiaries reporting locally under US GAAP must be converted to IFRS (or vice versa) at consolidation.

4

Earnings Comparability

R&D capitalisation and inventory costing differences alone can materially change reported margins between peers.

5

Tax Planning

LIFO's continued availability under US GAAP remains a meaningful driver of inventory accounting choices in the US.

6

Deal Due Diligence

Contingent liability thresholds change what a target discloses — and what a buyer needs to independently assess.

SUMMARY

Key Takeaways

1

Philosophy Drives Detail

IFRS (Conceptual Framework) is principles-based; US GAAP (ASC) is more rules-based with detailed, prescriptive guidance.

2

Presentation Order Differs

Balance sheets (IAS 1 / ASC 210) run in opposite liquidity orders; cash flow (IAS 7 / ASC 230) classification choices differ for IFRS.

3

Revaluation Is an IFRS-Only Option

PP&E (IAS 16 / ASC 360) and intangibles (IAS 38 / ASC 350) can be revalued upward under IFRS; US GAAP is historical cost only.

4

Thresholds Shape Recognition

Deferred tax (IAS 12 / ASC 740), contingencies (IAS 37 / ASC 450), and R&D capitalisation (IAS 38 / ASC 730) all hinge on differently calibrated probability tests.

5

Recent Standards Have Converged

Revenue recognition (IFRS 15 / ASC 606), EPS (IAS 33 / ASC 260), and business combinations (IFRS 3 / ASC 805) are now closely aligned across both frameworks.

6

Leases Still Split on Lessee Classification

Both are on-balance-sheet since 2019 (IFRS 16 / ASC 842), but only US GAAP retains an operating/finance lessee distinction.

AT A GLANCE

Summary Comparison — At a Glance

A consolidated one-page reference across every topic covered in this presentation.

Topic	IFRS	US GAAP
Income statement (IAS 1 / ASC 220)	2 years required	3 years required
Balance sheet order (IAS 1 / ASC 210)	Increasing liquidity	Decreasing liquidity
R&D costs (IAS 38 / ASC 730)	Development costs capitalised if criteria met	Substantially all R&D expensed
Deferred tax assets (IAS 12 / ASC 740)	Recognised if probable (>50%)	Recognised in full, less valuation allowance
Investment property (IAS 40 / ASC 360)	Separate category (IAS 40)	Included within PP&E
Biological assets (IAS 41 / ASC 905)	Fair value, separate category (IAS 41)	Included within inventory
Lease classification, lessee (IFRS 16 / ASC 842)	Single on-balance-sheet model	Operating vs finance distinction retained
Contingent liabilities (IAS 37 / ASC 450)	Recognised when probable (>50%)	Recognised when probable (higher threshold)
Inventory costing (IAS 2 / ASC 330)	LIFO prohibited	LIFO permitted
Fixed assets / intangibles (IAS 16, 38 / ASC 360, 350)	Revaluation model available	Historical cost only
Revenue recognition (IFRS 15 / ASC 606)	IFRS 15 — 5-step model	ASC 606 — 5-step model (converged)
NCI measurement (IFRS 3 / ASC 805)	Fair value or proportionate share	Fair value only

A Career Built on Making IFRS Understandable

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B D Chatterjee is a Chartered Accountant and financial thought leader with over 35 years of global experience spanning corporate finance, accounting standards, financial reporting, business valuation and financial due diligence. As a seasoned CFO, he has led finance functions across major corporations and now heads Digital CFO Solutions, a platform delivering institutional-grade IFRS, US GAAP and valuation workbooks alongside fractional CFO services.

- ✓ **Founder, Digital CFO Solutions**

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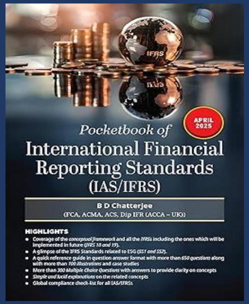
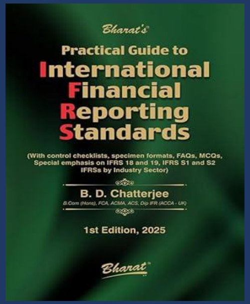
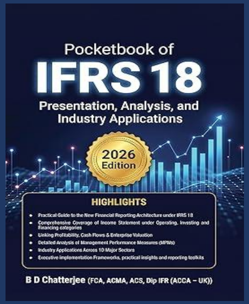
Books by B D Chatterjee — IFRS Library



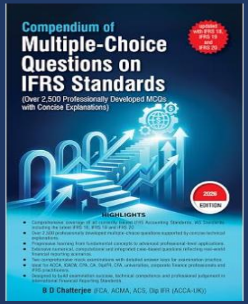
Pocketbook of International Financial Reporting Standards (IAS/IFRS)



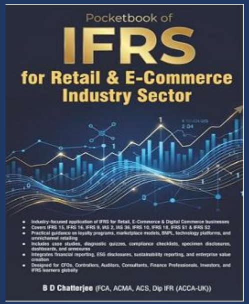
Practical Guide to International Financial Reporting Standards



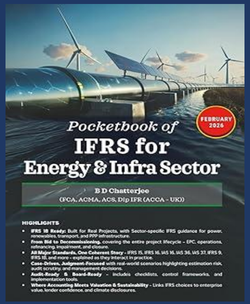
Pocketbook of IFRS 18 — Presentation, Analysis & Industry Applications



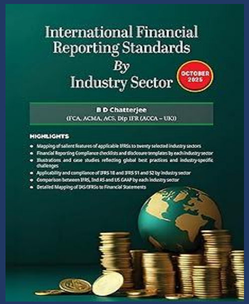
Compendium of Multiple-Choice Questions on IFRS Standards



Pocketbook of IFRS for Retail & E-Commerce Industry Sector



Pocketbook of IFRS for Energy & Infra Sector



International Financial Reporting Standards by Industry Sector

Pocketbook of IFRS for FMCG Industry

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