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**The True and Fair View Requirement  
in Recent National Implementations**

**Sally Aisbitt and Christopher Nobes\***

\* University of Teesside and the University of Reading, respectively. The authors are grateful for advice from Kristina Artsberg (Lund University, Sweden), Harald Brandsås (Norges Statsautoriserede Revisorers Forening), Sigvard Heurlin (Öhrlings Coopers & Lybrand, Stockholm), Pekka Pirinen (University of Jyväskylä, Finland), Gerhard Prachner (Coopers & Lybrand Inter-truehand, Vienna), and Alan Roberts (University of Reading).

## **The True and Fair View Requirement in Recent National Implementations**

### **Abstract**

This paper analyses the implementation of the true and fair view requirement into the laws of Austria, Finland, Norway and Sweden. The paper builds on an earlier analysis of the twelve EU member states which had previously implemented the requirement. It is found that three of the four countries depart from the wording of the appropriate language versions of the Fourth Directive. Also, two of the countries do not implement the ‘override’, and the other two implement it in a way not done before, by requiring the member state to specify the allowed departures. Norway in particular need to change the law in order to reform accounting.

## **The True and Fair View Requirement in Recent National Implementations**

The implementation and impact of the EU Fourth and Seventh Directives' true and fair view (TFV) requirement (see Table 1) was examined by Nobes (1993). Since that time, three new member states (Austria, Finland and Sweden) have joined the EU, and the Directives have been extended to non-EU members of the European Economic Area<sup>1</sup> (the largest such country being Norway). This paper extends the analysis to these four countries.

### **Signifiers in the Directive**

Nobes (1993) follows others in distinguishing between the signifier and the signified relating to the TFV, but also notes that the signifiers implemented in member state laws are not the same in all cases as those in the official versions of the Directives. For the four countries studied here, there are three new language versions of the Fourth and Seventh Directives, given that Austria is covered by the earlier German version. Table 2 shows the signifiers equivalent to 'a true and fair view' of Article 2 of the Fourth Directive for these three languages. A full table for comparison is shown as Appendix 1.

Figure 1 adds the three language versions to the ten others in terms of their approximate literal meanings in English. Two interesting points emerge. First, like all the other versions except the original<sup>2</sup> English, the Norwegian and Swedish versions use a unitary signifier. This may indicate that they were based on the Danish language version of the Fourth Directive; this may have been a convenient way to produce these new language versions of the Directive, given that Danish is linguistically close to Swedish and

**Table 1 English language version of Article 2 of the Fourth Directive**

1. The annual accounts shall comprise the balance sheet, the profit and loss account and the notes on the accounts. These documents shall constitute a composite whole.
2. They shall be drawn up clearly and in conformity with the provisions of this Directive.
3. The annual accounts shall give a true and fair view of the company's assets, liabilities, financial position and profit or loss.
4. Where the application of the provisions of this Directive would not be sufficient to give a true and fair view within the meaning of paragraph 3, additional information must be given.
5. Where in exceptional cases the application of a provision of this Directive is incompatible with the obligation laid down in paragraph 3, that provision must be departed from in order to give a true and fair view within the meaning of paragraph 3. Any such departure must be disclosed in the notes on the accounts together with an explanation of the reasons for it and a statement of its effect on the assets, liabilities, financial position and profit or loss. The Member States may define the exceptional cases in question and lay down the relevant special rules.

Norwegian. On the other hand, the Finnish Directive, with no linguistic relative in previous versions of the Directive seems to have looked to the English and produced a dual signifier.

The second point is that the Swedish version of the Directive does not use 'faithful' as most versions of the Directive do (including Danish and Norwegian) but uses 'right-looking', which is the same as in the Danish implementation as law (see Figure 2 and Appendix 2). Although this may not represent a significant difference, it seems to be further evidence of bureaucratic negotiation over translation as proposed in Nobes (1993), for example in the change of the German version from 1974 to 1978.

<b>Table 2 Signifiers for a true and fair view (for translations, see Appendix 2)</b>			
<i>Country</i>	<i>Words in Directive</i>	<i>Implementation of Directive</i>	<i>Words in Law if Different from Directive</i>
Austria	ein den tatsächlichen Verhältnissen entsprechendes Bild	1990 <sup>1</sup>	ein möglichst getreues Bild
Finland	oikea ja riittävä kuva	1992 <sup>2</sup>	oikeat ja riittävät tiedot ... (oikea ja riittävä kuva)
	en rättvisande bild		en riktig och tillräcklig bild .... (rättvisande bild) <sup>3</sup>
Norway	et påitelig bilde	1998	god regnskapsskikk
Sweden	en rättvisande bild	1995	-

<sup>1</sup> Approximate implementation; full implementation was achieved by the *EU-Ges RÄG* of 28 June 1996, but the relevant section numbers of the ÖHGB did not change.

<sup>2</sup> The expression was incorporated in the Accounting Act 1992, although implementation of the Fourth Directive was not complete until the Accounting Act 1997 became effective. References in this paper are therefore to the 1997 Act.

<sup>3</sup> The paragraph heading is “Riktiga och tillräckliga uppgifter”. In the Finnish version, the heading and the text use identical wording.

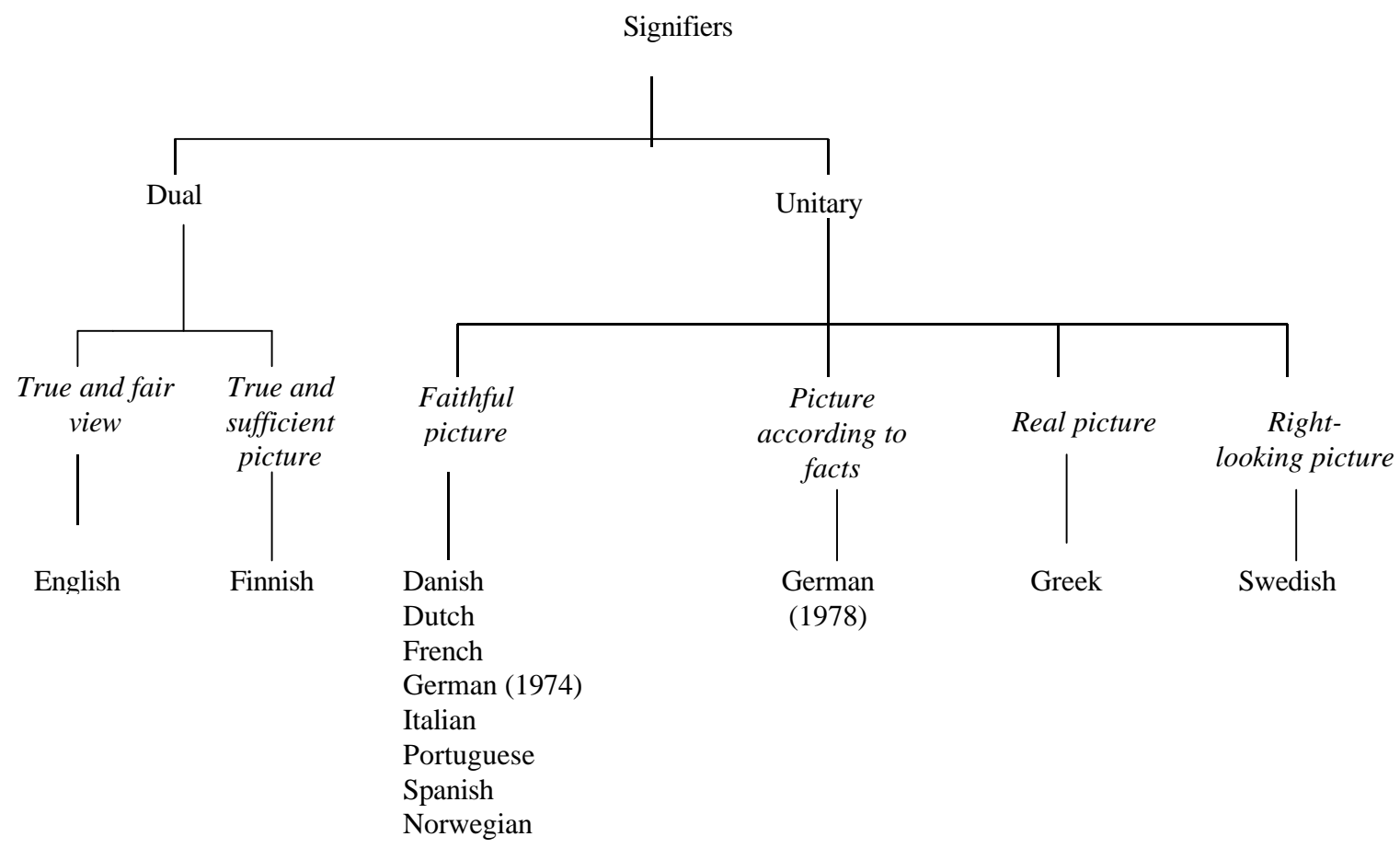


Figure 1 'True and fair' signifiers in the Fourth Directive

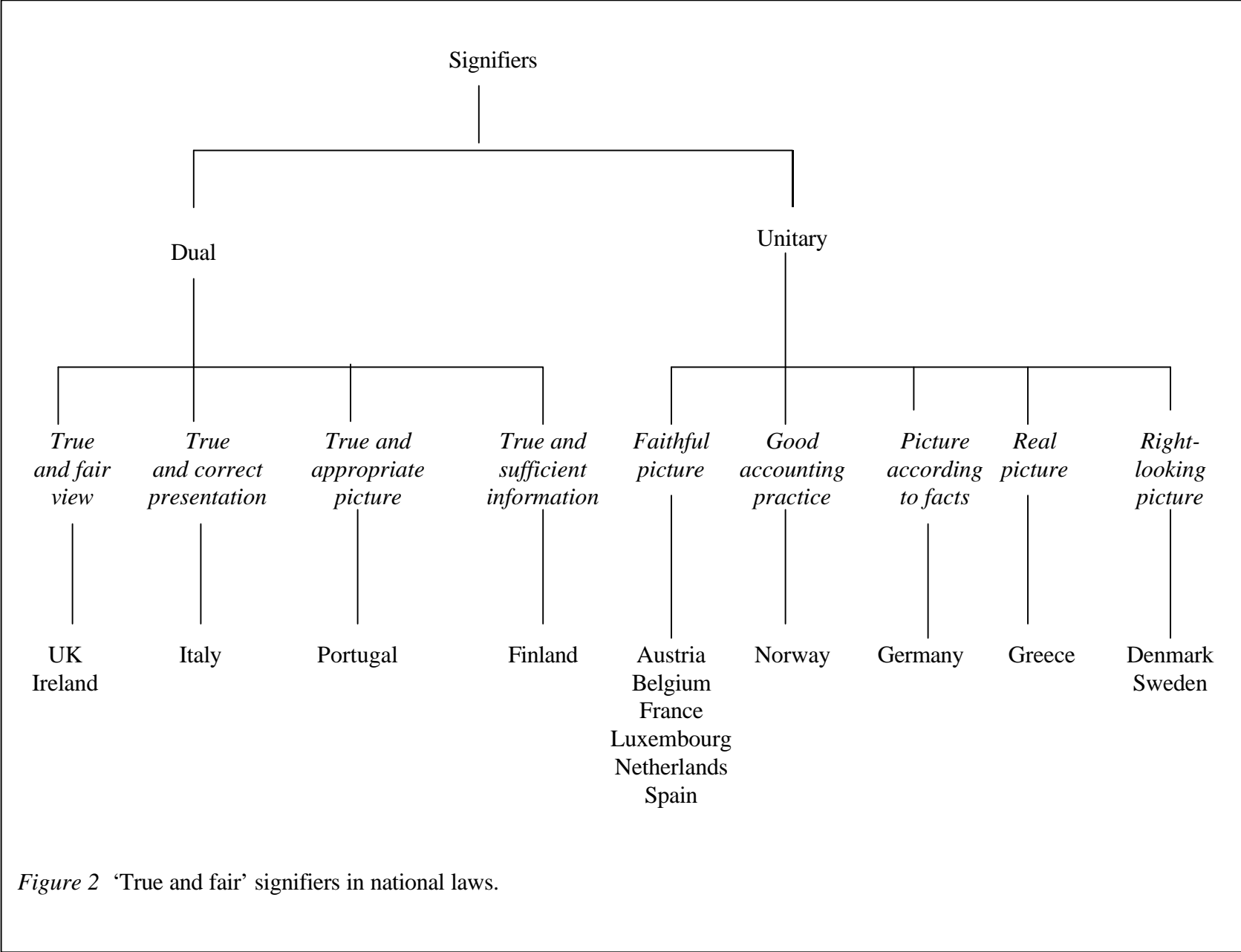


Figure 2 'True and fair' signifiers in national laws.

### Signifiers in member state laws

Nobes (1993) notes that several member states departed substantially or marginally from the words laid out in the Directive. This precedent is continued in the new implementations, as summarised in Table 2. Austria departs from the Directive's '*ein den tatsächlichen Verhältnissen entsprechendes Bild*' and substitutes '*ein möglichst getreues Bild*' (ÖHGB § 195 and § 222 (2)) which is much closer to the '*einen getreuen Einblick*' of the German version of the 1974 draft of the Fourth Directive (and the 1976 draft of the Seventh Directive). Also, unlike the German law (DHGB § 264 (2)), the Austrian law does not modify the requirement by adding the words 'in compliance with accepted accounting principles' ('*unter Beachtung der Grundsätze ordnungsmässiger Buchführung*' (GoB)). There is, of course, a requirement to comply with GoB, but as an additional requirement to the TFV not as a modification of it. However, this modification is to be found in the Austrian instruction on the duties of the auditors (ÖHGB § 274), as it is in the analogous German instructions (DHGB § 322). Its absence from the instructions for Austrian *preparers* may, in practice, not represent a significant difference from German law.

The Nordic countries have a long tradition of the concept of 'good accounting practice' (GAP) (Aisbitt, 1998) which has some similarities to the German GoB. In the same way that the German implementation of the Fourth Directive retained this principle, the Swedish version states, in addition to the TFV requirement:

Årsredovisningen skall upprättas på ett överskådligt sätt och i  
enlighet med god redovisningssed. [Annual accounts should be



prepared clearly and in accordance with good accounting practice.]

(*Årsredovisningslag*, SFS 1995: 1554, Chapter 2, paragraph 2)

Other countries had also continued their former words (e.g. ‘*regularité et sincérité*’ in France, and ‘*inzicht*’ in the Netherlands) in combination with TFV.

The Norwegian law goes further and implements the TFV concept by using GAP. The committee drafting the law argued that, given that there were already a number of European TFV expressions and that these were linked to developments in national practice, it should have the freedom to implement a Norwegian signifier and signified. Nevertheless, it was felt that the original [*sic*] British TFV had strong similarities with GAP (NOU, 1995, p.41).

Other authors have compared the Nordic GAP with TFV (e.g. Elling, 1994; Alexander and Christiansen, 1996), concluding that, while the two expressions are different, they may produce the same results. GAP is primarily producer-oriented while TFV is primarily user-oriented. In this respect, GAP is closer to *GoB* than to TFV.

Finland has broken away from its previous legislation by omitting references to GAP in the chapter on annual financial statements. Nevertheless, GAP is a requirement in Chapter 1 of the Act which deals with the obligation to keep accounting records. This is not dissimilar to the Danish approach: GAP was not included in *Årsregnskabsloven* 1981 but persists in *Bogføringsloven* (see Erhvervs- og Selskabsstyrelsen, 1990) and the Stock Exchange’s information requirements. The Finnish law paraphrases the wording of the Directive, but the exact phrase from the Directive is included in the law in parentheses:

Tilinpäätöksen tulee antaa oikeat ja riittävät tiedot  
kirjanpitovelvollisen toiminnan tuloksesta ja taloudellisesta

asemasta (*oikea ja riittävä kuva*). [The accounts shall give true and sufficient information on the reporting entity's result and on its financial position (*true and sufficient picture*).] (*Kirjanpitolaki*, 1336/1997, Chapter 3, paragraph 2, emphasis original)

There may be a danger of making too much of the differences in literal wordings of signifiers. In this context, one notes that, since there are two official languages in Finland, there is an official Swedish language version of the Finnish law. In it, the above sentence uses the wording from the Swedish language version of the Directive:

Bokslutet skall ge en riktig och tillräcklig bild av resultatet av den bokföringsskyldiges verksamhet och om dennes ekonomiska ställning (*rättvisande bild*).

Another detail of the wording is that all the language versions examined here, except the Finnish, refer to “a” rather than “the” TFV. As noted in Nobes (1993), there are some exceptions in other languages. However, in the Finnish language, there are no definite or indefinite articles, such concepts being conveyed by word order. This is of little consequence for the Finnish language version of the law because of the reference to “information” rather than “picture”. The bracketed reference to “true and sufficient picture” (see in italics above) uses no article even in the Swedish language version of the Finnish law. The decisive clue is that the Swedish language version refers to “*a* right and sufficient picture” in the unbracketed text.

## Signified and significance

### *The override*

One issue to address before assessing what is intended by and what results from the TFV requirement in our four countries is the ‘override’. As is well known (e.g. Ordelheide, 1990; Otte, 1990), the German implementation of the Fourth Directive does not comply with Article 2(5) which requires departure from the provisions of the Directive ‘in exceptional cases’ (see text in Table 1). The Austrian and Swedish implementations follow this precedent, with no mention of departure or exceptional cases. However, one could argue that these are examples of member states taking the option of the last sentence of Article 2 (5) (whereby the legislators may prescribe the cases of departure) but specifying no departures. This could be seen as implicit implementation of Article 2 (5).

The signifiers in the Austrian implementation (as examined above) seem closer in intention to what is signified by the original English version than those in the German implementation do. However, the lack of implementation of the override, the operation of *Massgeblichkeit* in Austria<sup>3</sup> and the general closeness of the Austrian *Handelsgesetzbuch* (HGB) to the German HGB suggest that there is little practical significance to the TFV requirement in Austria beyond the occasional need for extra note disclosures.

As noted above, the Swedish Act also does not implement the override, although departure in exceptional cases was included in the first draft of the law (SOU, 1994, Chapter 2, paragraph 2). Artsberg (1998, p.285) points out that GAP has never formally been an overriding concept although she suggests that, in Sweden, accounting standards and practice may have departed from older legislation (p. 281). This does not represent a disregard for the law: rather a pragmatic way of adapting to changing conditions.

Therefore, although the Swedish Act does not specifically mention the possibility of departures, it is conceivable that there could be deviations in the name of GAP. Blake *et al.* (1998) have already identified areas of potential departure in conjunction with Swedish auditors by highlighting divergence of recent practice from what is now required by law. Nevertheless, none of this proves that GAP is allowed to deviate from the law.

The Finnish and Norwegian Acts implement the override of the Directive's Article 2(5) by taking the member state option of its last sentence (see Table 1). The Finnish Act specifies that the Department of Trade and Industry will decide when and how an entity must depart from the Act in order to give a TFV (*Kirjanpitolaki*, 1336/1997, Chapter 3, paragraph 2). There are no examples of this within the Act, and so far no decisions from the Department. This may amount to a subtle way of arriving at a German result (i.e. no override) without breaking the letter of the Directive.

The Norwegian law is the most interesting. The legislators have interpreted the last sentence of Article 2(5) as meaning that the Norwegian law can specify when companies must depart from the Directives. Early drafts included a number of 'exceptions' from the valuation rules, but the final law includes only one clear departure from the Directives:<sup>4</sup> the requirement that marketable investments held as part of a liquid trading portfolio should be marked to market (i.e. held at market value, with gains and losses recognised in the profit and loss account). This requirement is included in the law under the heading of '*spesielle vurderingsregler*' (special<sup>5</sup> valuation rules). Other issues included there are research and development, goodwill,<sup>6</sup> pension costs, leasing, long-term work-in-progress and currency translation. On all these issues, the Norwegian law interprets or extends the Directives in particular directions. For example, the law requires

the use of the closing rate of exchange for translation of foreign currency monetary balances.

The closest precedent for this Norwegian approach of departure is the use by UK standard-setters of the override in the context of investment properties.<sup>7</sup> Alexander (1993) and Nobes (1993) argue in favour of this interpretation of the Directive but the EC Contact Committee (EC, 1990) and Van Hulle (1993) do not support it. The EC Commission (EC, 1997, p.3) has subsequently confirmed that it believes that member states (and presumably standard setters) are not allowed to promulgate general rules in contradiction to the Directive, but the authority of this statement is ambiguous although clearly less than that of a Directive.

The objective of the Norwegian legislation (Ot. Prp., 1988-89) is to move away from the legal formulations of the 1970s and towards internationally accepted practices of the 1990s. Interestingly, the EC Commission now has sympathy for this general approach, as part of supporting the work of the International Accounting Standards Committee (EC, 1995). The Commission (EC, 1997) has issued several imaginative<sup>8</sup> interpretations of the Directives which might be interpreted as suggesting that the Norwegian legislators need not have expressed their rules as departures from the Directive's provisions.

The Norwegian 'special valuation rules' noted above are of two types. There is widespread agreement that marking to market is not consistent with the Fourth Directive, and the European Commission proposes to amend the Directive to allow it (EC, 1998), partly in order to be consistent with proposed requirements of the International Accounting Standards Committee (see E 62 of 1998). Norway is merely ahead of developments here and can take comfort from implicit approval of the change by the

Commission. The other special rules are also unlikely to be controversial with the Commission. For example, most member states<sup>9</sup> accept or require translation at the closing rate, and the Commission (EC, 1997, p.9) regards it as acceptable under the Directives.

A related point is that the Swedish Act allows for work-in-progress to be shown at higher than cost. One could argue that this, too, is supported by the Commission's interpretation, because of its support for the percentage of completion method (EC, 1997, p.8).

#### *What is signified*

The above heading can be divided into two aspects: what is intended by the legislator and what is construed by the preparers, auditors and users.

The Austrian, Finnish and Norwegian implementations deliberately use different words from those in the Directive (see Table 2). This suggests that the legislators were not mechanically implementing an instruction from Brussels but were using particular signifiers in order to signify particular intentions. There may be an element of this even in the Swedish case, if there was Swedish bureaucratic involvement in the choice of words for their language version of the Directive, as proposed earlier.

The following speculative interpretations of the legislators are offered:

- (i) *Austria*. The choice of words (see right-hand column of Table 2) and the lack of modification by "generally accepted" may suggest that the Austrian legislator was trying to come closer to the typical European interpretation (e.g. the French) than to that of the German law.

- (ii) *Finland*. As noted above, there is no “override” for directors in the Finnish law. The choice of “information” rather than “picture” or “image” seems to be part of a process of suggesting that giving extra notes (rather than departing from the rules) is the correct way of achieving truth and fairness.
- (iii) *Norway*. The above discussion of GAP suggests that the Norwegian legislator had the British TFV in mind.
- (iv) *Sweden (and Denmark)*. The Danish legislators, back in 1981, chose ‘right-looking’ rather than the Danish Directive’s ‘faithful’, presumably as a deliberate attempt to convey the idea of ‘not misleading’, which is an interpretation of the British ‘fair’ (Parker and Nobes, 1991). If Swedish bureaucrats were involved in the choice of ‘right-looking’ for the Swedish version of the Directive, they may have been following this logic.

As for what is construed by preparers, auditors and users, this is an empirical matter. For the TFV, this has been investigated for the UK and Australia (e.g. Nobes and Parker, 1991; Parker and Nobes, 1991; Higson and Blake, 1993; Deegan *et al.*, 1994). It is too early for such studies in the four countries dealt with here.

### *Significance*

The issue here is whether the arrival of the TFV requirement in its various national implementations has affected (or will affect) practice. This partly depends on how the signifiers are construed by preparers and auditors (see above). However, it seems likely that the legislators’ intentions will be perceived and complied with, at least in some cases. For example, the Finnish use of “information” and the lack of the override suggest that the TFV will have little significance in Finland.

Another aspect of the significance of the TFV is the degree to which member states have used the opportunity provided by the implementation of the Directives in order to move towards the TFV, at least in the British interpretation of it. For example, it is noted in Nobes (1993) that the Spanish law of 1989 requires the capitalisation of certain leases, the presentation of funds flow statements, and accounting for deferred tax.

There is little sign of such developments in the Austrian or Swedish laws, but there are a few signs in the Finnish law and more in the Norwegian. The Finnish law allows the options of capitalisation of leases (in consolidated statements), percentage of completion method for contracts, and accounting for deferred tax. The Norwegian departure from the Directive noted above (fair value for financial instruments) also suggests such a move towards the TFV, as do the law's requirements for the capitalisation of leases, accounting for pension obligations, the use of closing rates of exchange and the requirement for cash flow statements. Some would view as a retrograde step the removal of the permission to revalue tangible fixed assets.

One interpretation of these legal changes is that governments are seeking to allow "international" practice rather than consciously moving towards a particular notion of TFV.

## **Conclusion**

Nobes (1993) suggests a continuum of the effects of the TFV. For the four countries of this paper, it is too early to assess significance. However, some predictions can be made. Of course, any attempt to classify brings with it the risk that the benefits of simplification will be outweighed by a loss of the rich complexity of reality, so that what seems to be clarity is really misleading superficiality. Thus, with the proviso that the



following should be read in the context of the above analysis, the four countries might be inserted into the continuum as follows:

- Case I           TFV is used by directors/auditors in interpreting the law and standards or where there is no law or standard, and, in principle,<sup>10</sup> to override the law or standards. TFV is also used by standard-setters to make rules that override details of the law. (UK, Ireland)
- Case II           TFV (and ‘insight’) is used by directors/auditors as the basic principle in interpreting the law and (non-governmental) guidelines or where there is no law or guideline. It can be used by them to override guidelines and potentially, in exceptional cases, the law. It is also used by guideline-setters to make rules but not to override the law. (The Netherlands)
- Case III          The arrival of TFV was used by law-makers to allow some change towards ‘substance’ rather than ‘form’. It may be used by directors/auditors when there are no governmental requirements, or to interpret requirements and, in principle, to override them in exceptional cases. (France, Spain)
- Case IV          TFV (as ‘good accounting practice’) is used by directors/auditors in interpreting the law and standards or where there is no law or standard. TFV has been used by legislators in interpreting the Directive’s provisions and to override some provisions but the override is not available to directors departing from either law or guidelines. (Norway)
- Case V           TFV may be used by directors/auditors to interpret government requirements or in cases where there are no requirements. In very

exceptional cases, which in practice will probably not arise, it could be used to depart from the law. (Italy)

Case VI TFV may be used by directors/auditors to interpret government requirements or in cases where there are no requirements. TFV cannot be used by directors to depart from the law. (Finland,<sup>11</sup> Sweden)

Case VII It is unresolved whether TFV relates only to notes or whether it might be usable by directors/auditors to interpret government requirements or in cases where there are no requirements. It is clear, however, that TFV cannot be used to depart from the law. (Germany, Austria)

### Appendix 1 Signifiers for a true and fair view

<i>Country</i>	<i>Words in Law before Fourth Directive (first appearance)</i>	<i>Words in Directive</i>	<i>Implementation of Directive</i>	<i>Words in Law if Different from Directive</i>
UK	a true and fair view (1947)	a true and fair view	1981	-
Ireland	a true and fair view (1963)	a true and fair view	1986	-
Netherlands	1. geeft een zodanig inzicht dat een verantwoord oordeel kan worden gevormd ... 2. geeft getrouw en stelselmatig (1970)	een getrouw beeld	1983	1. (as in 1970)  2. geeft getrouw, duidelijk en stelselmatig et retvisende billede
Denmark	-	et påideligt billede	1981	
France	} -	{une image fidèle,	1983	-
Luxembourg	} -	{een getrouw beeld	1984	-
Belgium	} -	{(in Flemish)	1985	-
Germany	-	ein den tatsächlichen Verhältnissen entsprechendes Bild	1985	Unter Beachtung der Grundsätze ordnungsmässiger Buchführung (then, as Directive)
Greece	-	tin pragmatiki ikona	1986	
Spain	-	una imagen fiel	1989	la imagen fiel ... de conformidad con las disposiciones legales <sup>1</sup>
Portugal	-	uma imagem fiel	1989	uma imagem verdadeira e apropriada (1989 plan)

Italy	-	un quadro fedele	1991	rappresentare in modo veritiero e corretto
Austria		ein den tatsächlichen Verhältnissen entsprechendes Bild	1990 <sup>2</sup>	ein möglichst getreues Bild
Finland		oikea ja riittävä kuva	1992 <sup>3</sup>	oikeat ja riittävät tiedot
Norway		et påitelig bilde	1998	god regnskapsskikk
Sweden		en rättvisande bild	1995	en rättvisande bild

<sup>1</sup> The words as found in the *Código de Comercio* (Art. 34).

<sup>2</sup> Approximate implementation.

<sup>3</sup> The expression was incorporated in the Accounting Act 1992, although implementation of the Fourth Directive was not complete until the Accounting Act 1997 became effective. References in this paper are therefore to the 1997 Act.

**Appendix 2 Literal translations of words in Table 2 and elsewhere**

Netherlands	- <i>geeft een zodanig inzicht dat een verantwoord oordeel kan worden gevormd</i>	presents an insight such that a well-founded opinion can be formed
	- <i>geeft getrouw, duidelijk en stelselmatig</i>	presents faithfully, clearly and consistently (over time)
Denmark	- <i>et påideligt billede</i>	a faithful picture
	- <i>et retvisende billede</i>	a right-looking picture
Germany, Austria	- <i>(unter Beachtung der Grundsätze ordnungsmässiger Buchführung) ein den tatsächlichen Verhältnissen entsprechendes Bild</i>	(in compliance with accepted accounting principles) a picture in accordance with the facts
	- <i>ein möglichst getreues Bild</i>	a picture as faithful as possible
France	- <i>une image fidèle</i>	a faithful picture
Greece	- <i>tin pragmatiki ikona</i>	the real picture
Spain	- <i>una (la) imagen fiel ... (de conformidad con las disposiciones legales)</i>	a (the) faithful picture ... (in conformity with the legal provisions)
Portugal	- <i>uma imagem fiel</i>	a loyal view
	- <i>uma imagem verdadeira e apropriada</i>	a true and appropriate view
Italy	- <i>un quadro fedele</i>	a faithful picture
	- <i>rappresentare in modo veritiero e corretto</i>	present in a true and correct way

Finland	- <i>oikea ja riittävä kuva</i>	[a?] true and sufficient picture
	- <i>oikeat ja riittävät tiedot</i>	true and sufficient information
	- <i>en riktig och tillräcklig bild</i>	a right and sufficient picture
	- <i>riktiga och tillräckliga uppgifter</i>	true and sufficient information
Norway	- <i>et pålitelig bilde</i>	a faithful picture
	- <i>god regnskapsskikk</i>	good accounting practice
Sweden	- <i>en rättvisande bild</i>	a right-looking picture

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<sup>1</sup> Iceland, Liechtenstein and Norway.

<sup>2</sup> The evidence for this is strong and is reviewed in Nobes (1993).

<sup>3</sup> For example, see Wagenhofer (1995).

<sup>4</sup> In addition there are instances where the Norwegian Act is more prescriptive than the Directive. For example Article 35 (3) and (4) of the Directive indicates that indirect costs and interest *may* be added to production cost, whereas Chapter 5, paragraph 4, amplified by Ot. Prp. (1997-8) implies these costs *must* be included for enterprises other than small enterprises. The committee drafting the proposals saw any such narrowing of choice or implementation of Member State options, as well as true derogations, as departures from the Directive, i.e. as a regulated override (NOU, 1995, 2.3.4 *Regulert overstyring*).

<sup>5</sup> In the proposal from the Accounting Act Committee and the Ministry of Finance, “special valuation rules” were distinguished from “exceptions from valuation rules”. The latter comprised the use of market value for financial instruments and the closing rate of exchange. It is unclear why the Parliament merged the two types.

<sup>6</sup> Goodwill on consolidation is not distinguished from other types of goodwill.

<sup>7</sup> SSAP 19 does this by requiring investment properties (which are fixed assets with limited useful lives) not to be depreciated, in contradiction to Article 35(1)(b).

<sup>8</sup> For example, the Commission (EC, 1997, p.9) believes that gains on unsettled long-term foreign currency monetary items could be treated as ‘made’ (Fourth Directive, Article 31(1)(c)). The British law implemented this word as ‘realised’ (Companies Act 1985, Schedule 4, para. 12(a)), and SSAP 20 (para. 65) reluctantly believes that an ‘override’ is necessary to take such profit into the profit and loss account. Some other member states have an even more restrictive understanding of this provision.

<sup>9</sup> This is required in the UK and Ireland (see footnote 7). It is also the practice in Denmark, France, Greece, the Netherlands, Portugal, Spain and Sweden. Alexander and Archer (1995, pp. 133-4, 189, 332-3, 588-9, 685, 853-4 and 1199-2000).

<sup>10</sup> From the Companies Act 1989, followed by the establishment of the Financial Reporting Review Panel, it seems to be *prima facie* the case that non-compliance with a standard is non-compliance with the TFV (e.g. Arden, 1993).

<sup>11</sup> In Finland, the true and fair view can be used, in principle, by the government to make requirements that depart from the Directive.