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A COMPARATIVE ANALYSIS OF IFRS IMPLEMENTATION: THE CASES OF
SPAIN, POLAND, AND SWEDEN

Bachelor thesis

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I have written this bachelor thesis independently. Any ideas or data taken from other authors or other sources have been fully referenced.

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Introduction

While we live in the world of advancing globalization and economic integration, the question of the harmonization of financial reporting standards remains a critical topic constantly discussed. The adoption of International Financial Reporting Standards (IFRS), which was developed by the International Accounting Standards Board (IASB), has played a significant role in shaping global accounting practices. It also plays a role in aiming to increase the comparability, transparency, and reliability of the financial reports. Since 2005 the European Union has mandated all its members to use IFRS for the consolidated financial statements of publicly traded companies, while trying to make them united by one accounting language. Even though this standard is widely used in Europe, there are many differences in how countries apply it, taking into consideration the local implementations. These differences can affect the quality of financial information available to investors and other stakeholders. Many factors like different enforcement systems or institutional frameworks make us question whether the IFRS is exactly the answer for the global harmonization in financial reporting problem.

The European Securities and Markets Authority (ESMA), in its 2022 Corporate Reporting Enforcement and Regulatory Activities Report, discusses challenges in achieving consistent application of IFRS across member states. From this report could be identified several key challenges in achieving consistent application of International Financial Reporting Standards: different ways of enforcing rules, lack of non-financial reporting, and trouble with digital reporting.

A study on the implementation of international public sector accounting standards in nine European countries highlights that deviations from the standard practices often result from local adaptations. This suggests that achieving true convergence in accounting standards is complex, as national contexts and regulatory environments play a significant role in shaping how these standards are applied. (Polzer et al., 2021)

In this research the comparison of three countries will be made, which were chosen based on their representation of distinct geographic, economic, regulatory, and cultural environments within the European Union, which mandates IFRS for consolidated financial statements of publicly traded companies: Spain, Poland, and Sweden. The selection of these free countries will provide the overview of the IFRS compliance levels in three parts of Europe: South, Central/Eastern part, and North. This geographic and economic diversity makes sure that the study captures a spectrum of IFRS implementation challenges and successes across Europe, including mature markets (Sweden), transitional economies

(Poland) and recovering economies (Spain). The different regulatory environments comparison in the study shows how enforcement strength and local GAAP coexist and impact IFRS harmonization. Finally the cultural differences provide a rich basis for analyzing how national values influence IFRS compliance, particularly in terms of transparency and investor confidence, a key focus of this thesis. Including those three countries will allow a comprehensive examination of how local adaptations influence financial reporting quality and transparency within the same IFRS framework.

Therefore there is a research gap existing to address the challenge of inconsistent IFRS compliance across the European Union. This bachelor thesis offers a detailed comparative analysis of IFRS compliance in different and moreover diverse EU regions, with inclusion of Poland, which is often underrepresented in studies of such kind. The compliance is checked across multiple sectors and cultural dimensions using the practical framework for scoring. Additionally this study provides a foundation for the future further research.

The aim of this research is to investigate how differences in regulatory frameworks and industry-specific challenges impact the comparability of financial reporting among Spain, Poland and Germany within the context of IFRS.

. To achieve the research aim, there are several research tasks to be completed:

- Analyze the theoretical foundations of IFRS and define sector-specific IFRS requirements
- Compare regulatory frameworks and enforcement mechanisms for IFRS implementation in Spain, Poland, and Sweden: Map the IFRS adoption timelines, enforcement authorities, and compliance challenges.
- Review and synthesize prior research on the topic.
- Design and apply compliance scoring framework to annual reports.
- Identify cross-country and cross-sector patterns
- Analyze regulatory and cultural influences on compliance

This thesis is divided into two main parts: a theoretical and an empirical section.

The theoretical section explores the principles of IFRS, its adoption in Europe, importance in improving transparency and comparability in financial statements. It also looks at how IFRS has been adopted and applied in Spain, Poland, and Germany analyzing the legal frameworks, regulatory systems, and enforcement mechanisms that shape financial reporting in each country. The peculiarities of financial reporting in four different sectors are also discussed in this part of the bachelor thesis. In addition, this section reviews previous

research and regulatory reports to provide context and insights that will guide the analysis in the empirical part.

The empirical part of the thesis examines how well companies in Spain, Poland and, Sweden comply with IFRS by analyzing annual reports, enforcement cases, and compliance reviews. This section explains the methods and data used for the research and assesses IFRS compliance by analyzing annual reports from leading companies in banking, retail, energy, and telecommunications sectors, using a qualitative cross-country comparison approach. The study also explores how differences in regulation and culture affect compliance. Finally, the findings from this analysis are compared with results from theoretical overview to draw meaningful conclusions.

The author of the study is sure that this work is potentially useful for the companies and financial specialists who can benefit from insights mentioned. Also the body of knowledge added on IFRS the future research could use as a reference etc.

Keywords: IFRS, Spain, Poland, Sweden, cross-country analysis, compliance criteria

1. Theoretical framework of IFRS and its adoption in Europe

1.1 Introduction to International Financial Reporting Standards and chosen countries.

Overview of the peculiarities of financial reporting in different sectors

IFRS which was created by the International Accounting Standards Board (IASB), founded in 2001 to replace the International Accounting Standards Committee (IASC), offers a shared set of guidelines for companies to prepare and present their financial statements. The main goal of IFRS is to make financial information more clear, comparable, and easier to understand for users around the world. (Llakkiya, 2024) IFRS helps create a common accounting language, making financial reports more consistent and reducing differences that could get in the way of international trade and investment.

Since 2005, listed companies in the European Union have been required to use IFRS for their consolidated financial statements, helping to improve transparency and build greater trust with investors worldwide. (*Regulation - 1606/2002 - EN - EUR-LEX*, 2008) Not only members of the European Union, but also countries outside it adopted this standard either fully or partially. For the companies the adoption of International Financial Reporting Standards means apart from everything else the market efficiency, as the same standard makes it easier to compare the companies across the different countries. It is first of all a principles-based approach, which relies more on judgment, emphasizes measurement of assets and liabilities at fair value reflecting their market value, places more emphasis on “judgment rather than voting control” (Guillaume, O., & Pierre, D. 2016).

In the context of the research three countries were chosen for specific reasons. Each country’s unique way of adopting and applying IFRS reflects important differences in their regulatory systems, accounting traditions and economic backgrounds, making them ideal for a sufficient comparison.

Spain has fully adopted IFRS for consolidated financial statements, but still uses its national accounting standards (PGC) for individual reports. Spain’s case highlights the challenges of implementing a principle-based global framework in a system traditionally rooted in detailed rules.

Poland, a growing economy in Central and Eastern Europe, presents a different perspective as it continues to transition from local standards to IFRS. While IFRS is required for listed companies, it’s not yet fully integrated across all accounting practices, offering a look at the complexities of adopting international standards in developing financial systems.

Sweden with its advanced and progressive economy operates a dual reporting system where consolidated financial statements for listed companies are prepared under IFRS, while

individual financial statements must be reported using the Swedish GAAP (Årsredovisningslagen). This combination provides valuable insight into how a transparent and principles-based international framework can coexist with a national accounting tradition, increasing financial reporting quality.

The comparative analysis of IFRS adoption and compliance in Sweden, Spain, and Poland will provide insights into the real-world implications of these differences, particularly in terms of financial transparency and investor confidence.

As in this study the four sectors for each company will be analyzed, the peculiarities for a financial reporting in each sector is important to be taken under consideration. Banking sector, following the 2008 financial crisis, is characterized by its heavy reliance on financial instruments as well as credit risk management, and regulatory oversight. The IFRS 9 standard regarding financial instruments is particularly critical because of its focus on expected credit loss models and hedge accounting. Those areas are central to banking operations. Banks also engage in significant leasing activities, which are reported under IFRS 16. It includes office spaces and equipment, and must present robust financial statements under IAS 1 to maintain investor trust. However, the concerns about their own confidentiality quite often limit sensitivity analysis for credit risks or interest rates.

The retail sector is being defined by diverse revenue streams in IFRS 15, as well as extensive leasing of stores and equipment in IFRS 16, and inventory-related impairment risks under IAS 36. Companies like Inditex, LPP, H&M operate in competitive markets with multi channel sales, which means that they have online and physical stores, making it a necessity to have a detailed revenue recognition and lease disclosures. However, competitive sensitivity often restricts scenario planning, especially for lease costs or inventory valuation. The energy and utilities sector involves significant asset-intensive operations under IAS 36, long-term leasing reported under IFRS 16 for infrastructure like wind farms or oil equipment, and diverse revenue sources in IFRS 15 from tariffs and contracts. Companies like Iberdrola, PKN Orlen, and Vattenfall face regulatory scrutiny for environmental reporting and asset recoverability, making impairment testing and financial presentation in IAS 1 critical. Confidentiality about pricing strategies often limits disclosure depth.

The telecommunications and technology sector is marked by rapid innovation, like for example Ericsson's 5G, significant leasing of network equipment in IFRS 16, diverse revenue from digital services under IFRS 15, and financial instrument management in IFRS 9 for currency or commodity risks. Companies like Telefónica, Orange Polska, and Ericsson must

balance technological complexity with regulatory compliance, often avoiding sensitivity analysis to protect competitive strategies in a fast-evolving market.

1.2 Regulatory framework and enforcement mechanisms of IFRS in Spain, Poland, and Sweden

The implementation of International Financial Reporting Standards in Spain, Poland, and Sweden follows the framework established by the European Union, which mandates the use of IFRS for the consolidated financial statements of all companies whose securities trade in regulated markets. (*IFRS - View Jurisdiction*, n.d.-b)

In the Table 1 there is a provided comparison of the key aspects of IFRS adoption and compliance in Spain, Poland, and Sweden. The table outlines the regulatory framework, adoption for both consolidated and individual financial statements, enforcement authorities, common compliance challenges and the overall extent of harmonization with IFRS in each country.

Sweden follows a dual reporting system where consolidated financial statements for listed companies are prepared under IFRS, while individual financial statements remain governed by Swedish GAAP (*Årsredovisningslagen*). Spain also mandates IFRS for consolidated financial statements, but requires Spanish GAAP for individual financial reports. Poland on the other hand mostly uses Polish Accounting Standards (PAS), but allows IFRS in some cases.

The countries also differ in how they enforce compliance: Sweden is having a reliance on the Swedish Financial Supervisory Authority (*Finansinspektionen*), the national regulator responsible for checking over the financial statements. In Spain the CNMV, which stands for *Comisión Nacional del Mercado de Valores* (Spanish Securities Market Commission), plays this role, being the primarily authority for supervision. In Poland it's done by the KNF, or *Komisja Nadzoru Finansowego* (Polish Financial Supervision Authority). Each country faces unique challenges. Sweden tries to balance its progressive practices in accounting with requirements used in IFRS, Spain finds IFRS guidelines complex, and Poland faces a lack of experience and resources for fully implementing the standards.

For Sweden cultural emphasis on transparency and trust of stakeholders are characteristically native, putting roots in its progressive governance model. *Finansinspektionen*'s extremely active enforcement in its turn fosters detailed disclosures across the companies in the country. The rule-based accounting tradition characteristic of Spain, which reflects a legalistic culture, forces the CNMV to prioritize compliance with Spanish GAAP together with the IFRS. As a result in Spanish annual reports scenario

planning is often conservative. The conservative culture of Poland on the other hand, which was shaped by its post-communist history, contributes to the KNF's careful approach, with limited resources reinforcing minimal disclosure practices.

This comparative analysis highlights the diversity of IFRS implementation across Europe despite the same framework under the European Union's directive.

Table 1

Key Differences in IFRS Adoption and Compliance in Spain, Poland, and Sweden

Aspect	Spain	Poland	Sweden
IFRS Adoption for Consolidated Financial Statements	Mandatory for publicly traded companies since 2005.	Mandatory for publicly traded companies since 2005.	Mandatory for publicly traded companies since 2005.
IFRS for Individual Financial Statements	Not permitted; Spanish GAAP is used for individual financial statements.	Permitted in some cases; Polish Accounting Standards (PAS) are primarily used but IFRS can be applied under conditions.	Not permitted; Swedish GAAP (Årsredovisningslagen) is used for individual financial statements.
Enforcement Authority	Spanish Securities Market Commission (CNMV).	Polish Financial Supervision Authority (KNF).	Swedish Financial Supervisory Authority (Finansinspektionen).
Primary Challenges in IFRS Compliance	Complexity of IFRS guidelines and adaptation to local GAAP differences.	Limited expertise and resources in IFRS application among some companies and auditors.	Balancing progressive accounting practices with IFRS requirements.
Extent of IFRS Harmonization	Has significant IFRS harmonization but struggles with compliance consistency.	Demonstrates progress but faces challenges due to lower market maturity compared to Western Europe.	High level of IFRS harmonization with consistent compliance due to strong regulatory oversight.

Source: Compiled by author based on IFRS - View Jurisdiction. (2016), *KNF*, (n.d.), ESMA annual report (2023), PricewaterhouseCoopers, (n.d.).

1.3 Overview of the previous empirical studies on IFRS compliance

While looking at previous empirical studies on IFRS compliance, the author of the study detected that researchers have used a range of very different methods to examine how IFRS is implemented and how effective it is in different countries. Table 2 shows the

different methods used in the previous studies reviewed, helping us decide which ones are best for our research. The comparative method stands out, as it was used in two studies. This approach is great for directly comparing countries to highlight the differences and similarities in how IFRS is implemented. However, it's important to ensure that the data that is being compared is truly comparable to avoid misleading conclusions. When used thoughtfully, this method offers valuable insights into the diverse ways IFRS is being applied across different countries.

Lower the author discusses the highlights key findings from several important studies, including *International Accounting Standards in Europe: A Comparative Study*, *The Use of Accounting Policy Options under IFRS in Europe*, and *Forging Accounting Principles in Germany, France, and China*.

Alves and Antunes (2011) used a mix of comparative methods and content analysis to study how IFRS was adopted in Portugal. They focused on how new accounting policies impacted financial statement disclosures. By analyzing annual reports in detail, they found that while financial transparency had improved, there were still inconsistencies in how policies were applied. The comparative approach helped them look at financial reporting both before and after IFRS adoption, giving a full picture of the changes. This research makes it clear that in our case a good choices would be the analysis of annual reports in order to check the financial transparency.

Eisenschmidt and Krasodomska (2021) took a different route, using quantitative analysis to study IFRS compliance across various European countries. They used statistical tools to analyse financial data, spotting patterns in how IFRS was applied. This method was good for measuring compliance and seeing its effect on financial performance and comparability. From this study it could be beneficial for the author to get the statistical approach. However, it didn't provide much detail on how IFRS rules were interpreted or enforced in practice.

Camfferman and Detzen (2018) used both comparative and historical methods to examine the history of IFRS adoption in Western Europe. Their research gave a big-picture view of how local accounting traditions and regulations influenced IFRS implementation. By looking at historical developments they showed how accounting standards evolve and what drives different levels of compliance in various regions. While this approach offers a deep understanding of the bigger picture and could be a good fit for the author's research, it primarily addresses the question of 'why things work this way' rather than focusing on 'what the differences are.' Therefore, this method alone is not entirely suitable for the purposes of

this research; however, when combined with another analytical tool, it leads to useful insights.

Table 2

Methodologies used in previous studies

Source	Comparative Method	Quantitative Analysis	Historical Method	Content Analysis
Alves & Antunes, (2011)	+	-	-	+
Eisenschmidt, Krasodomska, (2021)	-	+	-	-
Camfferman and Detzen (2018)	+	-	+	-

Note: “-”- methodology was not used, “+”- methodology was used in the source

Source: Compiled by author based on the sources presented in the table

Overall the reviewed studies show that it is a complex process to make companies fully comply with IFRS and there could be existing many factors, which have an influence on it. Among the main ones will be for example how strict regulatory enforcement is, cultural habits, which build the attitude towards the matter of transparency and disclosures. As for example countries in Northern Europe with their tendency to show higher compliance levels due to societal expectations. On the other hand the countries with a more conservative and rule based cultures give a priority to the confidentiality rather than the detailed reporting. Also one more factor is an individual business strategies.

From the previous research it's safe to say that the clear and well defined guidelines on using accounting policy options are essential to assure consistent financial reporting across different countries and different industries. However, to achieve the unified global consistency remains a considerate challenge to obtain, minding the fact, that different countries use different interpretations and applications of International Financial Reporting Standard. Those interpretations and applications differ due to their unique economic, legal, and cultural contexts.

The Table 3 summarizes the main points from every paper reviewed by the author, offering the clear overview of the key findings in each focus area.

Table 3

Key points from every reviewed study

Study	Focus Area	Key Insights
International Accounting Standards in Europe: A Comparative Study	IFRS adoption in Europe.	Compliance levels differ by country; strong enforcement is key to better adherence.
The Use of Accounting Policy Options under IFRS in Europe	Policy choices within IFRS.	Companies use flexibility to suit their needs, which can lead to varying practices and even earnings manipulation.
Forging Accounting Principles in Germany, France, and China	Cultural and institutional influences.	Local traditions and regulations shape how IFRS is interpreted, making alignment with global standards challenging.

Source: Compiled by the author based on the sources presented in the table

International Accounting Standards in Europe: A Comparative Study (Alves & Antunes, 2011) examines how different European countries have adopted and complied with IFRS. It finds that countries with strict enforcement and penalties tend to have higher compliance rates. However, while IFRS adoption has generally improved transparency and comparability in financial reporting, strong regulatory oversight is crucial for ensuring compliance.

The Use of Accounting Policy Options under IFRS in Europe (Eisenschmidt, Krasodomska, 2021) reviewed a bit different side of the comparability. This research explores how companies use the flexibility built into IFRS. While flexibility helps businesses align reporting with their specific needs, it can also open the door to earnings manipulation and reduce the comparability of financial statements. The study highlights the challenge of balancing standardization with the need for flexibility in global accounting practices.

Forging Accounting Principles in Germany, France, and China (Camfferman & Detzen, 2018) looks at how historical, cultural and institutional factors affect the adoption of IFRS in Germany, France, and China. This gives the author the small sneak peak into the situation in Germany with its traditional code law systems and conservative accounting practices that initially clashed with IFRS requirements. In contrast, China's approach was shaped by a strong government push for international financial integration. The research shows that even with IFRS as a global standard, local contexts still play a major role in how

the rules are interpreted and applied. It proves the need of the author's research and highlights the importance of researching this topic.

1. Empirical analysis of IFRS compliance: a cross-country and cross-sector study

2.1 Data and methodology of the empirical study

This subchapter will include the methodology used by the author to conduct the empirical analysis in this thesis. The study adopts a qualitative cross-country comparison approach to examine the IFRS compliance levels in the annual reports of the largest companies in Spain, Poland, and Sweden. Identifying differences in financial reporting practices across these countries within four main sectors will be the conducted. The list of the sectors investigated includes banking, retail, energy, and telecommunications.

The type of the study could be identified as cross-country comparative analysis. The evaluation to which extent companies adhere to IFRS disclosure requirements will be the focus of this thesis.

The selection of the companies for the research was conducted strategically. For the secondary data analysis of firms' annual reports there were four companies selected for each country using as criteria diversity, representativeness, and best comparability for the International Financial Reporting Standards compliance research. First and foremost companies were selected by their market influence: in the list were included large-cap, publicly traded companies, which are considered to be the key players in each economy. They are more likely to influence national accounting practices. Sector diversity was secured by covering all the major industries like financials, utilities, technological industry, industrials, and consumer goods.

Additionally, the data accessibility was as well considered an important factor for the company choice to secure the availability of data throughout the research. For that cause all the companies were checked for availability of the annual reports, using as sources for them company websites and regulatory filings like Comisión Nacional del Mercado de Valores for Spain and Komisja Nadzoru Finansowego for Poland, and databases like Bloomberg and Refinitiv. This attitude will potentially be a guarantee of adequate results in the end.

Overall the study analyzes financial data from twelve companies (3 three per country). It is crucial to have a unique approach for selection of the companies in each country, taking into consideration peculiarities of the country's key sectors, while maintaining the diversity. There should be existing the balance between financial and non-financial sectors to capture the full spectrum of International Financial Reporting Standard

complexity, as financial firms like banks or insurers and non-financial firms like retail, industrials etc. face different IFRS challenges. Without this balance, the study might miss critical compliance variations tied to industry-specific standards.

The disclosure will be checked using the scoring system based on IFRS requirements developed by the author. The disclosure checklist was developed based on key IFRS standards:

- **IAS 1** – presentation of financial statements. Plays the role of benchmark for overall compliance, because the incomplete or even missing disclosures can be a threat to trust and decision making.
- **IFRS 15** – revenue recognition. Revenue, being the primary indicator of business performance, makes this standard crucial to evaluate the companies' recognition and reporting of income. This are often can be manipulated or misinterpreted.
- **IFRS- 16** – leases. This standard reflects a big impact of the way lease accounted on balance sheet. This is particularly important for the industries which have significant leasing activities (in case of this study retail, with stores and equipment leasing, telecommunications- cell phone leasing and fiber-optic network leasing, technology and IT- hardware leasing and software licensing, and for the energy and utilities industry with solar/wind farm leasing, oil and gas equipment.
- **IAS 36** – impairment of assets. This standard was included in the compliance checklist, because it is important in assessing the recoverability of the asset. When the asset impairment is done on time, the exaggeration of the asset value can be omitted, which is essential in uncertain economic climates.
- **IFRS 9-** financial instruments. The inclusion of this standard is justified due to two main facts: the financial instruments are fundamental at the moment to business operations, and the importance of effective credit risk management, as a key regulatory tool after financial crises.

The chosen standards focus on globally relevant fundamental aspects of accounting in corporate financial reporting. The selection was made based the each standard's influence on key financial metrics, as well as possibility of those standards to be non-compliant and misreported. This could potentially skew the company's true financial position.

Each annual report will be checked on mandatory disclosures such as accounting

policies and segment reporting, specific adherence for the IFRS standards. The annual reports will be reviewed for the compliance within the checklist to evaluate direct compliance with IFRS disclosure rules. Relevant sections maintaining the IFRS disclosures were extracted by the author manually.

This research will provide valuable insights on IFRS practices, however it is important to acknowledge certain methodological constraints. In this particular study several limitations exist, which must be addressed in this part of the thesis. The main limitations is a sample size and bias. The size of the sample, being only twelve large, publicly traded companies in Spain, Poland, and Sweden, is the key limitation, as it might not capture the full spectrum of IFRS compliance behaviors. This limitation comes from a focus on main industry players in four chosen sectors. The results of the study are not to be interpreted as a representation for all companies operating in the chosen countries, as they are limited only to the context, specific to a selected firms. Therefore the findings from the analysis in this study are rather exploratory than statistically representative on entire corporate landscape. Thus the focus of the research should be defined as a case study of large, publicly traded companies' implementation of IFRS disclosures, while having the understanding that further and deeper research is needed to be able to generalize the findings of such kind.

The final choice of the industries to be covered in this study was made considering the peculiarities of standards that can be compared in this study using the examples of those companies. The selection of companies from banking, retail, energy, and telecommunications and technology sectors was strategically prepared to ensure that the analysis of IFRS compliance is conducted across diverse industries. Each of those industries faces the unique challenges in financial reporting. Such a diversity in sector choice allows the study to highlight the different aspects in practices of disclosures, such as the focus of the banking sector on leases and financial instruments (IFRS 16 and 9), focus of retail sector on revenue recognition and impairment (IFRS 15 and IAS 36), energy sector's focus on asset intensive operation (IAS 36 and IFRS 16), and telecom's and technology's streams of revenue driven by innovations (IFRS 15) as well as financial risk management (IFRS 9).

In the Table 4 the author provides a clear and detailed explanation of the scoring criteria, breaking down each IFRS standard into three main categories. The criteria are designed to make possible not only the measurement of the presence of mandatory disclosures, but also their depth. The clarity of the information provided is also considered, ensuring that the scoring shows the IFRS compliance levels as well as the quality of transparency in the annual report, chosen for the research.

Table 4

IFRS compliance checklist table

IFRS standard	Disclosure requirement	Scoring criteria
IAS 1	Explicit statement of full IFRS compliance	1 = clearly stated 0 = absent or incomplete
	Classification of expenses by function or nature	1 = detailed breakdown 0,5 = partial 0 = missing
	Disclosure of significant accounting policies	1 = comprehensive 0,5 = limited 0 = none.
IFRS 15	Revenue breakdown by category	1 = detailed categories 0,5 = partial breakdown 0 = no breakdown
	Contract liabilities disclosed	1 = reported 0 = absent
	Judgments in performance obligations explained	1 = detailed 0,5 = brief 0 = missing
IFRS 16	Right-of-use assets and lease liabilities reported.	1 = both disclosed 0,5 = one missing 0 = neither
	Maturity analysis of lease payments	1 = full analysis 0,5 = partial 0 = none
	Discount rate methodology disclosed	1 = explicit 0 = absent
IAS 36	Impairment testing method: is it a value in use or fair value less costs to sell	1 = method stated 0 = not specified
	Key assumptions like growth rates, discount rates	1 = detailed 0,5 = listed 0 = missing
	Reversals of impairments (if applicable)	1 = disclosed 0 = not mentioned
IFRS 9	Credit loss provisioning, expected credit loss models	1 = ECL model applied 0 = not used
	Financial instruments classified	1 = clear categories 0,5 = unclear 0 = missing
	Hedge accounting disclosures (if used)	1 = full details 0,5 = partial 0 = none

Source: Compiled by author

During the evaluation of the quality of disclosures in this research, a certain system was assigned for consistent analysis. The score of 1 indicates the exemplary performance, with a big amount of details, which goes beyond the basic requirements. It implies the

comprehensive information, enriched with the additional such as sensitivity analysis, scenario planning, and additional breakdowns which together demonstrate the high level of transparency in the annual reports. This maximum score is supposed to be given to the countries that provide insights on their potential risks or uncertainties linked to the future. For example it could be interest rate fluctuations in banking sector or volatility of inventory in retail sector. This in total could potentially increase the level of reliability in the annual report of the company. The score of 0,5 shows an adequate performance, and meets the minimum requirements. However, the depth is missing as well as detailed backgrounds that would increase the quality of the disclosure. This score is given to sufficient but not providing additional context reporting. This often happens due to competitive sensitivities or for example resource constraints. The score of zero means the inadequate performance. The necessary data is either incomplete or absent whatsoever, or doesn't meet the basic requirements of the IFRS standard. This could indicate the significant gaps in compliance that could negatively influence the investor confidence and therefore decrease it. This scoring framework ensures that the disclosure quality assessment is being systematic, providing a tool to evaluate the extent of IFRS compliance in Spain, Poland, and Sweden. Each IFRS standard has three as a maximum score, which in total sums up to fifteen for the total compliance maximum. This approach allows a comprehensive overview of the quality of disclosures across all three standards included in this bachelor thesis.

2.2 Analyzing disclosure quality and transparency.

This subchapter is structured to provide the sector by sector evaluation in details, beginning with the banking sector and followed by retail sector, energy and utilities sector, and telecommunications and technology sector, which highlights the diversity of the covered in this study industries. Each sector is being assessed using a scoring framework set by the author based on the key IFRS standards: IAS 1, IFRS 15, IFRS 16, IAS 36, and IFRS 9. The discussion will highlight the specific trends characteristic to every sector and will highlight the cross country variations. It will conclude the comparative insights, which will be linked to different regulatory and cultural factors, which were explored and summarised in the theoretical framework part of this study.

The first sector analysed in this study was a banking sector. The following table provides a breakdown in details for the fifteen disclosure requirements for the companies from the banking sector: Banco Santander, PKO Bank Polski, and Swedbank representing Spain, Poland, and Sweden respectively. These companies were selected as prominent players in their markets. The data was used from the 2024 annual reports.

Table 5

Detailed breakdown of IFRS disclosure requirements for banking sector (Banco Santander, PKO Bank Polski, and Swedbank)

Requirement	Banco Santander	PKO Bank Polski	Swedbank
IAS 1: Presentation of Financial Statements			
Explicit IFRS compliance	1	1	1
Nature of expenses classification	1	0,5	1
Accounting policies with analysis	0,5	0,5	0,5
Total IAS 1	2,5	2	2,5
IFRS 15: Revenue from Contracts with Customers			
Revenue disaggregation	1	1	1
Judgments and estimates	0,5	0,5	1
Contract balances with analysis	0,5	0,5	0,5
Total IFRS 15	2	1,5	2,5
IFRS 16: Leases			
Right-of-use assets and liabilities	0,5	0,5	1
Discount rate methodology	0,5	0,5	0,5
Lease expense disclosures	0,5	0,5	1
Total IFRS 16	1,5	1,5	2,5
IAS 36: Impairment of Assets			
Impairment testing methodology	1	1	1
Sensitivity analysis	0	0	0
Impairment losses/reversals	0,5	0	0,5
Total IAS 36	1,5	1	1,5
IFRS 9: Financial Instruments			
ECL provisioning methodology	1	1	1
Classification and measurement	0,5	0,5	1
Hedging disclosures with analysis	1	0	1
Total IFRS 9	2,5	1,5	3
Overall Total	10	7,5	12

Source: Compiled by the author

Under the IAS 1 all countries confirm the IFRS compliance in their annual reports. For the nature of expenses classification Banco Santander and Swedbank provide a clear detailed breakdown, while the PKO Bank Polski lacks detail, reflecting the regional regulatory focus. Even though all companies' annual reports include policies, the extensive scenario planning is missing, which is the reason all the countries get a score of 0,5 for this requirement. This could be driven by banking caution to protect interest rate strategies. Overall for the IAS 1 compliance no company managed to get a maximum score, with PKO Bank Polski showing less transparency than others due to the limitation of the expense context. In the IFRS 15 standard all the companies disaggregated the revenue by product and geography and disclosed liabilities, however, the scenario planning was missing. In the banking sector case it is done most possibly due to the risk of revealing confidential or

commercially sensitive data, such as contract specific terms. Banco Santander and PKO Bank Polski were compliant in reporting the basic judgments, however no details were included, prioritising confidentiality. Swedbank on the contrary details fee income judgments.

For the IFRS 16 standard Sweden is again ahead of the other countries in reporting transparency. PKO Bank Polski and Banco Santander offer basic disclosures, while Swedbank shows a maturity analysis. In context of methodology in the leases category, all companies disclose it, but all of them also lack sensitivity analysis- a banking norm of funding strategies protection. The context of expenses is added only in the Swedbank annual report, other companies just simply report expenses. In total for the IFRS 16 the more detailed reporting from Swedbank shows not so conservative approach. Under the impairment of assets standard (IAS 36) all companies provide a detailed methodologies for loan impairments as a banking priority and none provide the sensitivity analysis to omit expose of the credit risk. Spanish and Swedish companies disclose losses, but without scenarios, while PKO Bank Polski lacks details. Overall the lower transparency of the Polish company was detected in this standard *tied to loan portfolio sensitivity*. Finally the IFRS 9 dealing with financial instruments summarised the results for the banking sector analysis. All companies report in details expected credit loss methodologies which is a banking norm, with Swedbank maintaining a more detailed reporting, proceeding with the greater transparency pattern throughout the analysis. Additionally Swedbank as well as Banco Santander includes sensitivity for interest rate risks differently from PKO Bank Polski. Overall for the IFRS 9 the excellence of the Swedish bank in hedging is prominent, with remaining companies performing on adequate level.

The lack of the sensitivity analysis for impairment in IAS 36 and limited analysis in IFRS 9 for the PKO Bank Polski shows the tendency of companies in banking sector to hide their credit loss profiles. However Swedbank makes an impression of being willing to disclose this data, taking in to consideration the maximum score in IFRS 9. Also a difference was detected in interest rate management: PKO Bank Polski has a more conservative approach in their strategy for the interest rate disclosure, while two remaining Spanish and Swedish companies present a proactive risk management. Another peculiarity observed during the banking sector companies requirements scoring was a higher score of a Swedbank in IFRS 16 lease conservatism standard. The lease disclosures were detailed and contrasting with the PKO Bank Polski and Banco Santander performing the required minimum. This can suggest that larger banks could be prioritizing transparency for operations.

The following Table 6 provides a breakdown in details for the fifteen disclosure requirements for the companies from the retail sector: H&M, LPP, and Inditex, representing Spain, Poland, and Sweden, respectively. These companies were selected as prominent players in their markets. The data was used from the 2024 annual reports. During the research conduction the peculiarities of reporting in retail sector were taken into consideration. Moreover, by using the clear breakdown requirement by requirement, it was possible to recognise the differences in each vital section of reporting.

Table 6

Detailed breakdown of IFRS disclosure requirements for retail sector (H&M, LPP, and Inditex)

Requirement	H&M	LPP	Inditex
IAS 1: Presentation of Financial Statements			
Explicit IFRS compliance	1	1	1
Nature of expenses classification	1	0,5	1
Accounting policies with analysis	1	0,5	1
Total IAS 1	3	2	3
IFRS 15: Revenue from Contracts with Customers			
Revenue disaggregation	1	0,5	1
Judgments and estimates	1	0,5	1
Contract balances with analysis	0,5	0,5	0,5
Total IFRS 15	2,5	1,5	2,5
IFRS 16: Leases			
Right-of-use assets and liabilities	1	0,5	0,5
Discount rate methodology	0,5	0,5	0,5
Lease expense disclosures	0,5	0,5	0,5
Total IFRS 16	2	1,5	1,5
IAS 36: Impairment of Assets			
Impairment testing methodology	1	0,5	1
Sensitivity analysis	0	0	0
Impairment losses/reversals	0,5	0,5	0,5
Total IAS 36	1,5	1	1,5
IFRS 9: Financial Instruments			
ECL provisioning methodology	1	1	1
Classification and measurement	0	0	0
Hedging disclosures with analysis	0	0	0
Total IFRS 9	1	1	1
Overall Total	10	7	9

Source: Compiled by the author

In order to make the final conclusion and get the total score for each country in all categories, the author scored every country in the same category first, before moving on to the next one, so that the similarities or differences were detected expeditiously. All companies' annual reports included an explicit statement of IFRS compliance, some being

more detailed (H&M, Inditex) than other, because LPP's background turned out to be less detailed due to regional focus. The expenses classified in details for two companies, reflecting multi-channel operations, except LPP, which lacks context possibly due to the desire to avoid revealing cost structures. Moreover in accounting policies section LPP lacks sensitivity analysis in its policies, potentially being cautious with strategic disclosure. Other two companies on the other hand include the scenario planning to address retail volatility. Overall for the IAS 1 Inditex and H&M scored a maximum, while LPP manages to meet the basic requirements, regional focus limiting.

In the IFRS 15 Inditex and H&M proceed to show a bit better results than LPP, with more detailed disaggregation of revenue by region and channel, detailed judgments showing the retail diversity. LPP on the other hand shows brief disclosures and basic breakdowns, earning 0,5 instead of 1. All companies show contract liabilities, but don't have a scenario planning. In total the IFRS 15 scoring results show the same tendency between the countries: Inditex and H&M disclose with more details handling the retail volatility better, while LPP even if not performing the best still maintains the minimum requirements prioritizes confidentiality. The IFRS 16 standard focusing on leases shows a bit worse results across all countries, however there appears to be a leader at this stage of research. The maturity analysis presented by H&M makes it stand out from the rest, in which annual reports assets and liabilities disclosed with less elements, highlighting its store network. Inditex, H&M, and LPP all lack additional context for the lease expense disclosures possibly due to competitiveness sensitivity when dealing with variable lease costs, thus the total scores in this section are not reaching the maximum, however highlighting a slightly better performance of a Swedish company.

The impairment of assets IAS 36 section shows that none of the companies provide sensitivity analysis which is often done to avoid signaling inventory weaknesses in retail sector. Also every one of them has impairment losses disclosures but lacks scenario impacts, which is possible as already previously mentioned due to competitive sensitivity. LPP once again provides the less detailed disclosures on impairment testing methodology which results in the worst score for the company among three companies reviewed for the IAS 36 section in total. Under the financial instruments IFRS 9 standard all companies provide the detailed expected credit loss for credit risks, however none of them provides the additional context to protect currency or commodity strategies. The minimum for expected credit loss is met but there noticed to be a fail to transparently provide the classification and hedging for financial instruments.

The third sector researched in this thesis is energy and utilities sector. The following Table 7 provides a breakdown in details for the fifteen disclosure requirements for the companies from this sector: Iberdrola, PKN Orlen, and Vattenfall, representing Spain, Poland, and Sweden, respectively. These companies were selected as prominent players in their markets. The data was used from the 2024 annual reports. During the research conduction the peculiarities of reporting in energy and utilities sector were taken into consideration. Moreover, by using a clear breakdown of requirements by requirement, it was possible to recognise the differences in each vital section of reporting.

Table 7

Detailed breakdown of IFRS disclosure requirements for energy sector (Iberdrola, PKN Orlen, and Vattenfall)

Requirement	Iberdrola	PKN Orlen	Vattenfall
IAS 1: Presentation of Financial Statements			
Explicit IFRS compliance	1	1	1
Nature of expenses classification	1	0,5	1
Accounting policies with analysis	0,5	0,5	1
Total IAS 1	2,5	2	3
IFRS 15: Revenue from Contracts with Customers			
Revenue disaggregation	1	1	1
Judgments and estimates	0,5	0,5	1
Contract balances with analysis	0,5	0,5	0,5
Total IFRS 15	2	2	2,5
IFRS 16: Leases			
Right-of-use assets and liabilities	0,5	0,5	1
Discount rate methodology	0,5	0,5	0,5
Lease expense disclosures	0,5	0,5	0,5
Total IFRS 16	1,5	1,5	2
IAS 36: Impairment of Assets			
Impairment testing methodology	1	1	1
Sensitivity analysis	0	0	0
Impairment losses/reversals	0,5	0,5	0,5
Total IAS 36	1,5	1,5	2,5
IFRS 9: Financial Instruments			
ECL provisioning methodology	1	1	1
Classification and measurement	0,5	0,5	1
Hedging disclosures with analysis	0,5	0	0,5
Total IFRS 9	2	1,5	2,5
Overall Total	9,5	8	11

Source: Compiled by the author

Under the IAS 1 standard all companies confirm the IFRS compliance. Iberdrola and Vattenfall providing the detailed breakdowns of the expenses, while PKN Orlen doesn't show that much of a detail, earning 0,5 in nature of expenses classification requirement. Iberdrola

and PKN Orlen don't report scenario planning, possibly to protect price strategies, Vattenfall does. Overall IAS 1 shows higher transparency for Swedish company. IFRS 15 requires the disaggregation for the revenue, which is being provided in all companies' annual reports. The judgments are provided differently among the companies: Iberdrola and PKN Orlen reporting the basic judgments, and Vattenfall adding details. All avoid scenario planning due to tariff sensitivity, however disclose liabilities. Regarding the leases due to minimizing the cost exposure Polish and Spanish companies offer just a basic disclosures, the Swedish one also presents a maturity analysis. The discounts methodology is presented among all the annual reports, however all of them lack sensitivity analysis as a norm to protect financing strategies. Lease expense disclosures are presented in a matter without context due to competitive sensitivity. The lease standard breakdown by requirements shows in total a better transparency in Vattenfall companies' annual reporting. For the energy infrastructure it is a priority to present a detailed impairment testing methodology in the annual report, what all the companies in this study did under the IAS 36. As already stated exposing the asset risks is preferably avoidable, thus none of the companies presents a sensitivity analysis. Impairment losses disclosed without scenarios which reflects caution on asset volatility. In total for the IAS 36 all the companies performed at the same level with their reporting. Finally for the IFRS 9 expected credit loss methodology was detailed in every companies reporting. Iberdrola and Vattenfall includes basic analysis for hedging for price risk management with PKO Orlen lacking it at all to protect their strategies. The final score for this standard requirements reflects the PKO Orlen's conservatism and Vattenfall's higher hedging transparency.

The final sector reviewed in this study is a telecommunications and technology sector. The following Table 8 provides a breakdown in details for the fifteen disclosure requirements for the companies from the sector: Telefónica, Orange Polska, and Ericsson, representing Spain, Poland, and Sweden respectively. These companies were chosen as leading players in their markets. The data was used from the 2024 annual reports. This ensures the current and comparable assessment of IFRS compliance. During the research conduction the peculiarities of reporting in telecommunications and technology sector were carefully taken into consideration. For example the need for the disaggregated revenue disclosures or treatment of intangible assets, which can be different due to the varying levels of market maturity or innovation focus across Spain, Poland, and Sweden. Moreover, by using the clear breakdown on a standard by standard level, it was possible to recognise the differences in each vital section of reporting.

Table 8

Detailed breakdown of IFRS disclosure requirements for telecommunications and technology sector (H&M, LPP, and Inditex)

Requirement	Telefónica	Orange Polska	Ericsson
IAS 1: Presentation of Financial Statements			
Explicit IFRS compliance	1	1	1
Nature of expenses classification	1	0,5	1
Accounting policies with analysis	0,5	0	1
Total IAS 1	2,5	1,5	3
IFRS 15: Revenue from Contracts with Customers			
Revenue disaggregation	1	1	1
Judgments and estimates	0,5	0,5	1
Contract balances with analysis	0,5	0	1
Total IFRS 15	2	1,5	3
IFRS 16: Leases			
Right-of-use assets and liabilities	0,5	0,5	1
Discount rate methodology	0,5	0,5	0,5
Lease expense disclosures	0,5	0,5	0,5
Total IFRS 16	1,5	1,5	2
IAS 36: Impairment of Assets			
Impairment testing methodology	1	1	1
Sensitivity analysis	0	0	0
Impairment losses/reversals	0,5	0	0,5
Total IAS 36	1,5	1	1,5
IFRS 9: Financial Instruments			
ECL provisioning methodology	1	1	1
Classification and measurement	0,5	0,5	1
Hedging disclosures with analysis	0,5	0	1
Total IFRS 9	2	1,5	3
Overall Total	9,5	7,5	11,5

Source: Compiled by the author

For the IAS 1 in the presentation of financial statements all companies confirm IFRS compliance, the nature of expenses is being broked down in details in Telefónica and Ericsson annual reports. Orange Polska's report shows a regional conservatism with showing little details. The Spanish company is lacking scenario planning because of regulatory uncertainty, while the Polish one omits analysis whatsoever earning a zero in this category. Ericsson included apart from all necessary points the application programming interface strategy into its annual report. Eventually the full score for this standard reflects how conservative the Orange Polska is and the high level of transparency of Ericsson. All companies show a clear and detailed breakdown of the revenue as it is a norm for the digital services. Telefónica and Orange Polska report the basics for judgments and estimates in the revenue due to the regional challenges, while Ericsson provides the details for the 5G

application programming interface estimates. The liabilities disclosure shows a completely different results for each company: Telefónica offers just a basic disclosure which earns it 0,5 points. Orange Polska doesn't present an analysis whatsoever earning a 0, and Ericsson reported detailed balances, which earned it 1 point and reflected a vendor transparency.

Under the IFRS 16 Telefónica and Orange Polska report the basics for the right-of-use assets and liabilities, Ericsson to the contrary proposes details for network equipment leases, showing a vendor focus. The discount methodology is disclosed in all three countries but there is a lacking sensitivity analysis for all of them as well, probably to protect financing strategies. Lease expenses are being reported, however without the context. Overall in the IFRS 16 the main trend is Ericsson's continuous higher transparency. In impairment of assets IAS 36 section as a priority for the telecom infrastructure all companies detail impairment testing methodology. In order to avoid exposing risks none of the countries provide sensitivity analysis. The impairment losses were disclosed by Telefónica and Ericsson, but without any detail, earning to the companies only 0,5 points in scoring while Orange Polska lacked details. According to the IFRS 9 requirements as a standard for the telecom risks all companies detail expected credit loss methodology. For classification and measurement of financial instruments Ericsson reports basic information and additionally adds 5G investments content. Telefónica and Orange Polska just report basics. Once again the results are completely different for the hedging disclosures with analysis: the Swedish company provides a detailed hedging, the Spanish company includes just basics, and the Polish one lacks the analysis. In total for the IFRS 9 the pattern of Orange Polska's conservatism and Ericsson's technology transparency with Telefónica in the middle was detected.

2.3 Comparative findings on IFRS compliance: Spain, Poland, and Sweden

This subchapter will synthesize the empirical analysis of IFRS compliance across the four sectors in different countries findings. The analysis compares the disclosure quality and transparency for twelve companies, four companies per country, each one for one specific sector: banking, retail, energy and utilities, and, telecommunications and technology. The analysis identifies patterns among the selected countries, Spain, Poland, and Sweden, and among sectors, provides an examination of the impact of cultural and regulatory factors on implementation of the IFRS.

The Table 8 shows a total final results for the International Financial Reporting Standard compliance requirements scorings among all countries and sectors, twelve companies in total.

Table 5

IFRS compliance checklist table

Country	Industry	Company	IAS 1	IFRS 15	IFRS 16	IAS 36	IFRS 9	Total score out of 15
Spain	Banking	Banco Santander	2,5	2	1,5	1,5	2,5	10
Poland	Banking	PKO Bank Polski	2	1,5	1,5	1	1,5	7,5
Sweden	Banking	Swedbank	2,5	2,5	2,5	1,5	3	12
Spain	Retail	Inditex	3	2,5	1,5	1,5	1	9
Poland	Retail	LPP	2	1,5	1,5	1	1	7
Sweden	Retail	H&M	3	2,5	2,5	1,5	1	10
Spain	Energy/ utilities	Iberdrola	2,5	2	1,5	1,5	2	9,5
Poland	Energy/ utilities	PKN Orlen	2	2	1,5	1,5	1,5	8
Sweden	Energy/ utilities	Vattenfall	3	2,5	2	1,5	2,5	11
Spain	Telecomm unications/ Technolog y	Telefónica	2,5	2	1,5	1,5	2	9,5
Poland	Telecomm unications/ Technolog y	Orange Polska	1,5	1,5	1,5	1	1,5	7,5
Sweden	Telecomm unications/ Technolog y	Ericsson	3	3	2	1,5	3	11,5

Source: Compiled by the author

According to the cross country patterns in IFRS compliance observed in this study, using the compliance, Sweden all the time demonstrates the highest IFRS compliance scores in all sectors, earning 12 for Swedbank, 10 for H&M, 11 for Vattenfall, and 11,5 for Ericsson, showing a better performance than Polish and Spanish companies. This trend reflects the way Sweden's well-established regulations and effective enforcement systems prioritize transparency and impact investor trust. The main regulatory body the Swedish Financial Supervisory Authority (Finansinspektionen) enforces strict compliance, as can be seen in the detailed IFRS 9 disclosures for hedging earning the score of three. Also the Ericsson's comprehensive judgments for the 5G revenue in IFRS 15, and high score in IAS 1 further supports Sweden's cultural emphasis on accountability.

Spain shows moderate compliance with the scores between nine and ten: Banco Santander (10), Inditex (9), Iberdrola (9,5), and Telefónica (9,5). Even though the Spanish Securities Market Commission (CNMV) ensures consistent IFRS application, the dual reporting system, such as Spanish GAAP for individual statements. The challenges arising because of it are clearly visible in conservative IFRS 16 lease disclosures with Banco Santander and Telefónica scoring 1,5 points. Moreover the scenario planning is limited by the rule based accounting tradition, which is evident in Iberdrola's minimal IAS1 policy analysis.

Poland presents the lowest compliance scores from 7 to 8: PKO Bank Polski (7,5), LPP (7), PKN Orlen (8), and Orange Polska (7,5). The Polish Financial Supervision Authority (KNF) enforces IFRS, but the fact of limited expertise and resources makes a full compliance impossible, as reflected in Orange Polska's lack of IFRS 9 hedging analysis (0) and IFRS 15 contract balance details. This can be explained by Poland's conservative culture, connected to its transitional market history, which contributes to minimal disclosures, such as LPP's basic IAS 36 impairment reporting.

Across the sectors IFRS 9 requirement concerning financial instruments plays a role of the biggest common challenge for each country due to avoidance of the presenting the sensitivity analysis, except for Swedish companies like for example Ericsson and Swedbank. The banking and energy sectors show better expected credit loss reporting, reflecting post-crisis regulatory focus. The IFRS 15 requirements of revenue from contracts with customers highlights sector strengths: retail (Inditex: 2.5, H&M: 2.5) and telecommunications (Ericsson: 3) excel in revenue disaggregation due to diverse channels and 5G monetization, while banking (PKO Bank Polski: 1.5) and energy (PKN Orlen: 2) prioritize confidentiality.

Under the IFRS 16 requirements leases scores are generally low (1.5-2), with Swedish companies leading (Swedbank 2,5; Vattenfall 2) due to detailed lease maturity analysis, reflecting significant leasing in banking (office spaces) and energy (wind farms). The IAS 36 standard of impairment of assets scores remain consistent (1-1.5), with no sensitivity analysis across sectors to avoid exposing asset risks, a trend in energy (Iberdrola, PKN Orlen) and telecommunications (Telefónica, Orange Polska). For the IAS 1 requirements of presentation of financial statements highlights Sweden's transparency (H&M, Ericsson, Vattenfall at 3), while Polish firms lag due to minimal policy analysis.

The overall key observations for the retail sector include several. All three companies have their challenges with the IFRS 9 standard, dealing with financial instruments. There appears to be a blind spot in providing the sensitivity analysis, which reflects a broader industry struggle in maintaining transparency for the financial instruments. Two companies-

Inditex and H&M- consistently showed a great performance in IAS 1 and IFRS 15 with their successful provision of a detailed disclosures that increase the transparency for stakeholders. However, in a retail industry the Polish company LPP showed a slightly worse compliance, mainly due to the lack of the details in disclosures, especially in IAS 36 and IFRS 15. While it succeeded to meet the minimum requirements, exemplary transparency was not provided.

The total summary of the findings follows the logic of the theoretical part of the study. Sweden leads in IFRS compliance, because of its strong enforcement mechanisms and culture, focused on transparency. Spain's moderate compliance levels are maintained while balancing the global IFRS standards IFRS and local standards of the Spanish GAAP. In the case of Poland the main limitations are regulatory and expertise. The specific challenges per requirement like for example lease disclosures in IFRS 16 or financial instrument transparency in IFRS 9, show that the enforcement needs to get some improvements to increase the harmonization. Additionally the Poland's KNF has struggles with resource constraints, which is also visible in IFRS 9. Culturally there is a pattern of stakeholder trust characteristic Sweden, which contrasts with conservatism characteristic for Poland and the rule tradition in Spain. Those cultural patterns directly have an influence on disclosure depth and flexibility.

Conclusion

This thesis investigated the implementation of International Financial Reporting Standards (IFRS) in Spain, Poland, and Sweden, with the focus on how regulatory frameworks, mechanisms for enforcement, and challenges specific for every industry, all have an impact on comparability in financial reporting. By using the qualitative cross country the author analysed annual reports dating 2024 for twelve leading companies across four sectors: banking sector- Banco Santander, PKO Bank Polska, Swedbank; retail- Inditex, LPP, H&M; energy and utilities- Iberdrola, PKN Orlen, Vattenfall; and telecommunications and technology- Telefónica, Orange Polska, Ericsson. The result was reached by applying a scoring framework based on IAS 1, IFRS 15, IFRS 16, IAS 36, and IFRS 9, which checked the annual reports for fulfilling the necessary requirements in Presentation of Financial Statements, Revenue from Contracts with Customers, Leases, Impairment of Assets, and Financial Instruments respectively.

Key findings show different compliance patterns. Sweden achieves the highest scores (Swedbank 12, H&M 10, Vattenfall 11, Ericsson 11,5), driven by the Finansinspektionen's rigorous oversight and a presence of the cultural emphasis on transparency. Spain scores moderately (Banco Santander 10, Inditex 9, Iberdrola 9,5, Telefónica: 9,5), with the CNMV

ensuring consistency but hindered by dual reporting and rule-based traditions. Poland is on the third place with lower scores (PKO Bank Polski 7,5, LPP 7, PKN Orlen 8, Orange Polska 7,5), reflecting the KNF's resource constraints and a conservative reporting culture.

Cross-sector analysis identifies persistent challenges: IFRS 9 and IFRS 16 disclosures are weak due to avoided sensitivity analysis (e.g., LPP, Orange Polska at 0), except in Swedish firms (Swedbank, Ericsson at 3). IFRS 15 is good in retail (Inditex: 2.5, H&M: 2.5) and telecommunications (Ericsson: 3) due to diverse revenues, while banking and energy prioritize confidentiality. IAS 1 and IAS 36 highlight Sweden's transparency leadership, with Polish firms lagging.

The study underscores the crucial role of regulatory enforcement and cultural factors. Sweden's model offers a blueprint for Spain and Poland, where capacity building and cultural shifts toward transparency are essential. This research enriches IFRS literature by providing a detailed cross-country and cross-sector analysis, offering actionable insights for companies, regulators, and financial specialists. It emphasizes the need for tailored IFRS strategies within the EU. Future research could expand to smaller firms, explore non-financial reporting, or assess emerging digital reporting impacts on harmonization.

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Resümee

RAAMATUPIDAMISSTANDARDITE (IFRS) RAKENDAMISE VÖRDLEV ANALÜÜS: HISPAANIA, POOLA JA ROOTSI JUHTUMIUURINGUD Anastasiia Vilmovska

Käesolev bakalaureusetöö käsitleb rahvusvaheliste raamatupidamisstandardite (IFRS) rakendamist kolmes Euroopa riigis - Hispaanias, Poolas ja Rootsis. Uurimuse eesmärgiks on analüüsida, kuidas riikide erinevad regulatiivsed raamistikud, kultuurilised traditsioonid ja majanduslikud tingimused mõjutavad IFRS-i nõuetele vastavust ning finantsaruannete läbipaistvust.

Uurimuses kasutatakse kvalitatiivset võrdlevat meetodit, analüüsides 12 suuretevõtte (iga riigist 4) 2024. aasta aastaruandeid neljas peamises majandussektoris: pangandus, kaubandus, energia ja telekommunikatsioon. Hindamise aluseks on autori poolt välja töötatud punktisüsteem, mis põhineb viiel olulisemal IFRS-i standardil: IAS 1 (finantsaruannete koostamine), IFRS 15 (tulude kajastamine), IFRS 16 (rendilepingud), IAS 36 (varade väärtuse langus) ja IFRS 9 (finantsinstrumendid).

Tulemused näitavad selget erinevust riikide vahel. Rootsi ettevõtted (Swedbank, H&M, Vattenfall ja Ericsson) saavutasid kõrgeima keskmise hindepunktide arvu (11,3 15-st võimalikust), mis kajastab riigi tugevat regulatiivset raamistikku ja kultuurilist rõhku läbipaistvusele. Hispaania ettevõtete (Banco Santander, Inditex, Iberdrola ja Telefónica) tulemused olid keskmiselt 9,5 punkti, näidates piisavat vastavust, kuid teatud valdkondades puudulikku täpsust. Poola ettevõtete (PKO Bank Polski, LPP, PKN Orlen ja Orange Polska) tulemused jäid keskmiselt 7,5 punkti, mis viitab vajadusele täiustada standardite rakendamist ja järelevalvet. Sektoripõhised erinevused ilmnesisid selgelt. Pangandussektoris oli suurim erinevus Rootsi ja Poola vahel (12 vs 7,5 punkti), mis tulenes peamiselt finantsinstrumentide kajastamise erinevustest. Kaubandussektoris eristasid H&M ja Inditex end detailsete tulude kajastamisega, samas kui LPP jäi märkimisväärselt alla. Telekommunikatsioonisektoris oli Ericsson eesrindlik oma 5G-seotud raporteerimisega.

Uurimuse tulemused kinnitavad hüpoteesi, et kuigi IFRS on ühtne raamistik, sõltub selle tõhus rakendamine oluliselt riiklikest regulatiivsetest süsteemidest ja kultuurilistest teguritest. Rootsi kõrge tulemus näitab tugeva järelevalve ja avatuse positiivset mõju, samas kui Poola suhteliselt madala tulemus viitab vajadusele arendada kohalikke regulatsioone. Hispaania asend "kuldlõikes" näitab, et piisav vastavus on võimalik ka riikides, kus kohalikud raamatupidamistraditsioonid erinevad oluliselt anglosaksi mudelist. Töö praktiline tähtsus seisneb soovitude pakkumises riikidele ja ettevõtetele IFRS-i paremaks

rakendamiseks, eriti kesk- ja idaeuroopas. Edasised uuringud võiksid laiendada valimit ja hõlmata rohkem riike ning sektoreid, et saada veelgi täpsem ülevaade IFRS-i rakendamise heterogeensusest Euroopas.

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