IFRS & GAAP

Accounting & Finance

The two dominant frameworks, and how they differ.

IFRS	US GAAP
Principles-based	Rules-based, far more detailed
Used in 140+ countries	United States
Revaluation of assets permitted	Historical cost dominates
LIFO prohibited	LIFO permitted
Development costs may be capitalised	Development costs mostly expensed

THE DIFFERENCE THAT MATTERS

Principles require judgement and can be argued; rules can be followed to the letter while missing the intent.

Educational reference. Convergence has narrowed the gap but material differences remain, especially in leases and revenue.