THE INTERNATIONAL ACCOUNTING STANDARDS BOARD'S 2018 CONCEPTUAL FRAMEWORK ON USER PERSPECTIVE: AN APPLICATION OF STAKEHOLDER THEORY

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Abstract

The Conceptual Framework (CF), published by the International Accounting Standards Board (IASB), serves as a guide for nations creating general-purpose financial reports (GPFRs) for organizations (Gore & Zimmerman, 2007). This study attempts to critically evaluate the decision of the IASB to limit the primary users of the GPFRs in the 2010 and 2018 CF to financiers only from a stakeholder theory perspective. This study used a qualitative meta-analysis method to incorporate earlier qualitative studies in the area to derive deeper meanings through an interpretive process. This study reaffirms the ongoing issue of why the IASB supports the financiers as the primary user group of GPFRs. We found that the managerial branch of stakeholder theory fully supports the decision of the IASB to limit the primary user of the GPFRs to financiers only as management considers the financiers as the most influential stakeholder group whose information needs must be fulfilled under all the circumstances. This study has added to the existing body of knowledge by bringing much-needed clarity to the preparers of GPFRs. However, from a broad user and other theoretical standpoint, we strongly advise future studies to critically analyze the implications of the IASB's decision to reclassify financiers only as the primary users of GPFRs.

Keywords: Conceptual Framework, Stakeholder Theory, IASB, General Purpose Financial Reports, Resource Providers, Financiers, Users

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1. INTRODUCTION

The International Accounting Standards Board (IASB) issues the Conceptual Framework (CF) and accounting standards as a guideline for use by organizations in preparing general-purpose financial reports (GPFRs) (Gore & Zimmerman, 2007). The IASB is an independent accounting standard setter that contains a group of experts that develop the CF for use as a governing document on the financial reporting process for use by all countries to harmonize the financial reporting process across the globe. The IASB was established in 1973 in London under its previous name, International Accounting Standards Committee. In 2001, the name was revised to the IASB to provide more independence to the board and come under the International Financial Reporting Standards (IFRS) Foundation[1]. The CF of the IASB has come a long way since 1989 to the current 2018 CF which was released in March 2018 (Raj & Azam, 2023).

[1] https://www.ifrs.org/about-us/who-we-are/#history

The rationale of the 2018 CF of the IASB is to describe the objectives and concepts for the GPFRs (IASB, 2018; Pelger, 2019; Gag, 2021). In addition, it assists the IASB in developing consistent standards, further guides the preparers of GPFRs in the formulation of consistent accounting policies, and enhances understandability, clarity, and interpretation of standards to various stakeholders of the organization (Azam, 2017; IASB, 2018). Research has shown evidence that when countries adopt the IFRS developed and issued by the IASB results in an increase in the firm's value which benefits the resource providers (Drogalas et al., 2019).

Gore and Zimmerman (2007, p. 30) refer to the CF as a "constitution for financial reporting" and, Bala (2012) adds that it underpins the accounting standards. The CF serves as a formal structure for the preparers of financial reports and has the potential to develop consistent accounting policies and standards (Perera et al., 2022). The CF in no way supersede the accounting standards but is a very strong reference point when a particular standard fails to resolve issues that the preparers are facing during the preparation of GPFRs (Bala, 2012). For instance, the preparers are allowed to use judgment in the development and application of accounting policies due to the absence of appropriate standards or interpretations on such issues. However, these preparers of GPFRs are required to refer to the CF for consistent accounting policies (Bala, 2012; Azam, 2017; IASB, 2018).

Hence, the making of the 2018 CF was to ensure that consistent accounting standards and policies are developed and existing standards and policies are revised to ensure that all contradictory procedures and guidelines are eliminated (Pelger, 2019). With such an intention, the IASB initiated a joint project in 2002 with the Financial Accounting Standard Board (FASB) to converge the accounting standards and resolve any differences. This convergent program was led through an exposure draft but later things did not work out as expected between the two influential accounting bodies and additionally, many constituents opposed the proposed changes (Pelger, 2019). Besides, the exposure draft was put on hold as the non-profit organization was left out (Pelger, 2019). However, the 1989 IASB's CF was revised in 2010 and then it took more than six years to finalize the 2018 CF with major changes in the area of recognition, measurement, derecognition, presentation, and disclosures (Pelger, 2019). Mondal (2021) highlighted significant changes to eight major accounting standards based on the 2018 CF and concluded that the CF does not capture the stewardship effect and prudence. This also includes elements definitions not able to incorporate certain items, validating the approval of existing accounting practices, and not the development of new practices.

Dennis (2018) stated that in March 2018, the IASB released its newest version of CF and that the IASB has stated that the CF is not the complete picture as there would be expectations of revisions based on their experience working on it. The development of the CF was to give legitimacy to the standard setters giving social power and knowledge base to the accounting profession. Dennis (2018) argues that the push towards the finalization of the CF was to legitimize the IASB's presence and give them social powers and a knowledge base for the accounting profession. Organizations that are classified as reporting entities are required to prepare GPFRs and these organizations have many users. These users will refer to the GPFRs to make informed economic decisions of their interest. Some of these users are current and potential investors, regulators, tax offices, trade unions, customers, suppliers, and so forth. In the 1989 IASB's CF these users were explicitly classified as a broad category of users that depended on the GPFRs for decision-making.

However, the 2010 and 2018 CFs limit the primary user group to financiers only as compared to the 1989 CF (Pelger, 2019; Nowak, 2023), and the IASB makes the claims that by satisfying the information needs of the financiers, it also fulfills the information need of other users too (IASB, 2018). The importance of having a clear objective cannot be overstated since without knowing who the target market is, it is impossible to build a product (Penman, 2013, p. 8). Similarly, the objective of the GPFRs underpins the IASB's CF (Azam, 2017; Pelger, 2019). The objective of the IASB's 1989 CF was, "to provide information about the financial position, performance and changes in the financial position of an entity that is useful to a wide range of users in making economic decisions" (IASB, 1989, para. 12).

However, the 2018 CF of the IASB (and the same for 2010) states its objective, "is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity" (IASB, 2018, para. 1.2).

The above points reflect that the IASB has narrowed the primary users of the GPFRs to financiers only in contrast to a wide range of users stated in the 1989 CF.

This study is motivated to critically analyze the justification given by the IASB to limit the primary user group of GPFRs in the 2010 and 2018 CF as compared to the broad categories of users in the 1989 CF using the stakeholder theory perspective. This study aims to add to the body of knowledge already available on the IASB's CF and, more specifically, to analyze the justification offered by the IASB for restricting the primary users of the financial report to financiers only.

This study is distinctive in that it focuses on the exclusion of a diverse group of users in the 2010 and 2018 CF in comparison to the 1989 CF, exposing a vacuum in the body of work in the field of CF and financial reporting. Therefore, this research paper addresses the following research question:

RQ: Is the IASB justified in restricting the users of the GPFRs to the resource providers as stated in the 2018 CF of the IASB?

Thus, this research aims to address the literature gap in providing a theoretical understanding of the reasons why the IASB decided to narrow down its CF user groups to only the financiers of the entity, better known as the resource providers. Pelger (2019) stated that the CF revisions provide more avenues for research to be undertaken by academics. The study applied stakeholder theory as part of the theoretical underpinnings to understand the decision undertaken by the IASB in focusing on the financiers in the 2018 IASB's CF and to provide more clarity in the CF, making the preparers' work easy (Walton, 2018; Barker & Teixeira, 2018; van Mourik & Asami, 2018). This study aimed to contribute to the existing literature and the ongoing discussion of the IASB's approach towards resource providers. A qualitative meta-analysis methodology was applied to this study with an exploratory research design. The findings of the study indicate that the managerial view of stakeholder theory supports the stand taken by the IASB while the normative view of Stakeholder Theory rejects the stand of the IASB to only focus on the resource providers and neglect other user groups who are equally important in the society in which the entity operates in.

The rest of this paper is structured as follows. Section 2 reviews the relevant literature. Section 3 analyzes the methodology that has been used to conduct this study. Section 4 provides the findings and discussion of the findings on limiting the primary user group to financiers only from a stakeholder theory perspective. Finally, Section 5 makes the concluding remarks, highlights the limitations of the current study, and provides recommendations for future studies.

2. LITERATURE REVIEW

The IASB's 2018 CF explicitly aims to maximize the information needs of the financiers' group. Whittington (2008, as cited in Pelger, 2019) states that the 2010 revised CF is based on a stronger focus on fair value accounting with literature claiming that changes in the 2010 revised CF were to make fair value accounting the best measurement model when compared to historical cost model and current cost from the objective analysis point of CF. Chapter 1 of the 2018 CF discusses the objective of financial reporting which is providing useful information to the resource providers as the main objective of the IASB, with not many changes in comparison to the 2010 revised CF (Pelger, 2019). The resource allocation decision is regarded as a stewardship decision (Pelger, 2019). Apart from the stewardship role as one of the objectives, other objectives were cash flow assessments and the decision usefulness approach. This is highlighted by Pelger (2019) in his research paper, "the reformulation in the CF 2018 is a clever twist that is supposed to reflect more emphasis on stewardship concerns without changing the general objective — providing useful information for resource allocation decisions" (p. 5). The stewardship role is further emphasized by Pelger (2019) in the 2018 CF which states, management's accountability to users for economic resources entrusted to their care (IASB, 2018, para. 1.3). The 2018 CF of the IASB in para. 3.2 states that:

"The objective of financial statements is to provide information about an entity's assets, liabilities, equity, income and expenses that is useful to the users of financial statements in assessing the prospects of future net cash inflows to the reporting entity and in assessing management's stewardship of the entity's economic resources".

However, van Mourik and Asami (2018) state that stewardship which is of prominence is just for decoration since it does not have any effect on financial reporting. In addition, Benston et al. (2007) critique that the preliminary CF is too narrow-focused on using accounting information for investment purposes and neglects the pivotal role of stewardship.

Pelger (2019) states that the IASB "points out that the CF may be revised from time to time based on the Board's experience of working with it" (p. 2), thus it provides the foundation for future research to be undertaken by academics as a going debate about the concepts contained in the CF. This provides a literature gap that needs to be addressed. Thus, this research paper aims to answer the research question and also contribute to the literature on CF. In the most recent 2018 CF of the IASB, the user group is very narrow-focused and limited to the financiers of the company who are the potential and existing investors, lenders, and creditors who have provided economic resources to the entity. Thus, the other users not stated in the objectives are regarded as secondary and not of primary importance.

However, researchers like Walton (2018), Barker and Teixeira (2018), and van Mourik and Asami (2018) suggested further clarity is required in the CF to ease the work of the preparers of GPFRs. For instance, Walton (2018) argues that the CF needs to define what information investors find useful so that an appropriate business model of an entity is established to capture the information needs of financiers by the preparers. A similar view is shared by Barker and Teixiera (2018) that the IASB needs to provide more information on an entity's business model to fulfill the information needs of the financiers.

Furthermore, van Mourik and Asami (2018) reviewed various income measurement approaches as part of financial reporting. The researchers also state that the other comprehensive income does not correlate with models in the literature and may hinder the decision-making of investors when company securities are valued. Van Mourik and Asami (2018) reason that there is no clarity on the concept of profit in the 2018 CF. When it comes to profit determination, an all-inclusive profit approach is being used. They suggest that deprival value as a measurement base can be used if other measurement bases are not appropriate. Apart from that, the researchers have also stated that dual measurement can be used to differentiate the items in the profit or loss statement and the other comprehensive income known as OCIs.

In addition, van Mourik and Asami (2018) have stated that the 2010 revised CF of the IASB did not deal with profit definition but rather the general financial reporting objectives and the qualitative characteristics that need to be embedded in the financial reports. Hence, the intention of the IASB to develop a robust CF for financial reporting was affected partly as a result of historical constraints between the IASB and FASB due to the professionalization of accounting standard-setting and this has refrained the CF from addressing the problem it meant to solve in terms of which information is regarded as useful to the investors.

Moreover, Craig et al.'s (2017) commentary on the proposed IASB's CF revealed further challenges that are present in the 2018 CF. They inform that the CF has not improved ways of reporting risk and uncertainty in the GPFRs. In addition, the CF failed to be considered an authoritative document and needs to be generally followed in cases of contradiction with the accounting standards (Craig et al., 2017). However, this is not the case. The CF is not a standard. Nothing in the CF overrides any standards or requirements in a standard (IASB, 2018, para. 1.2). Craig et al. (2017) provide reasoning that the proposed CF (2018 CF) does not override standards, making the CF move away from a principle-based approach creating chances of fraud, unethical practice, risks and estimates not being audited to creep in financial reporting. They also stated that the International Standards on Auditing are structured in a format that achieves clarity when compared to the proposed CF. This shows a movement from the objectives and pillars of CF in enhancing "the importance of reporting truthfully to users of financial statements" (Craig et al., 2017, p. 112).

Craig et al. (2017) provide commentary that the CF should be the precedent set and should specify a hierarchy of user needs. Also, in cases of conflicting user needs, the CF should provide clarity in terms of whose interests will supersede. However, the objectives of truthful reporting should be paramount which provides useful information to the users. Moreover, Azam (2017) revealed the challenges posed to a user of financial reports who seeks to obtain insights into an entity's financial performance and position through reading reports constructed using an eclectic approach to measurement. He suggested that the IASB consider users' perceptions of the usefulness and accuracy of a certain measuring basis. Users' decision-making is impacted by the choice of measurement base allowed by the CF when they anticipate a certain measurement base will be of higher relevance measure but it turns out to be low or preparers applied an improper measurement base.

Table 1 provides a summary of the challenges in the 2018 CF from a financier's viewpoint.

Table 1. Challenges in the 2018 CF from a financier's viewpoint

Sources	*Challenges from the financier's perspective*
Benston et al. (2007)	The current CF is too narrowly focused on investment neglecting the stewardship role.
Craig et al. (2017)	CF has not improved ways of reporting risk and uncertainty in the GPFRs. CF is not to be followed when it contradicts accounting standards as it is principally based creating unwanted practices such as fraud affecting financiers.
Azam (2017)	The CF allows the use of multiple measurement bases affecting user decision-making.
van Mourik and Asami (2018)	There is no prominence of the stewardship role in the financial reporting process. There is no clarity in the concept of profit due to the all-inclusive profit approach used. Decision-making of resource providers is hindered since OCI is not related to the business models in the literature.
Walton (2018), Barker and Teixeira (2018), van Mourik and Asami (2018)	More clarity is required in the CF work to make the preparer's work easier including the use of an appropriate business model for the entity.
Pelger (2019)	Revision of the CF happens based on Board experience. However, it provides an avenue for more research by academics. There is no prominence of the stewardship role in the financial reporting process.

3. RESEARCH METHODOLOGY

To critically assess the justification provided by the IASB for narrowing the primary user group in the 2010 and 2018 CF as compared to the 1989 CF, this study adopted an exploratory research design since this an ongoing issue that warrants further exploration and understanding of this complex issue using a stakeholder theory perspective. Since the 2018 CF has the same GPFR objectives as the 2010 CF, we will primarily utilize it to compare and contrast the 1989 CF with it. Exploratory studies are a helpful technique for posing queries and gathering information that serves as a springboard for additional research (Ali, 2020). In addition, the relevant prior studies were thoroughly examined and interpreted to elicit meaning, gain an understanding, and develop empirical knowledge for the study to validate the conclusion drawn (Bowen, 2009; O'Leary, 2014).

Psychology has always prioritized qualitative research, but meta-analyses of this body of literature, often known as meta-syntheses, are becoming more and more common among academics (Ali, 2020). Often referred to as a meta-synthesis, a qualitative meta-analysis enables a systematic examination of qualitative studies that is more interpretive than aggregative (Ali, 2020). It is proposed that meta-analysts consider the methodological rigor of their investigations in connection to fundamental research approaches, such as the compilation of primary research studies and the categorization of primary findings into groups or themes (Levitt, 2018; Ali, 2020). Similarly, this strategy employs strong qualitative methods to combine earlier qualitative research to express a deeper meaning through an interpretive process (Ali, 2020). Aside from the meta-synthesis conducted under the exploratory research design, we propose that future studies could employ a field data collection strategy involving stakeholder interviews. This will provide ample opportunity for participants to go over concepts again and provide in-depth accounts of their own experiences.

The data sources for this research were secondary. The researchers examined archival data such as scholarly articles. The justifications for using the archival data such as the scholarly articles used were the work of renowned and respected academics and were relevant to the current study's research objective and added credibility to our findings. Moreover, the scholarly articles were critically examined to search for similar and different views that the scholars have on the IASB's move to shift the primary users of GPFRs to financiers only that were relevant in explaining the research problem under study. In addition, the prior studies analysis provided an up-to-date analysis on the issue of defining financiers as the only primary users of the GPFRs. To further address the research question, this study also applied stakeholder theory, and its application is discussed in the next section. The findings of this study are summarized in the following sections including a critical discussion of the findings.

4. RESULTS

4.1. Implications of stakeholder theory on IASB's decision to restrict the primary users of the GPFRs

Zhang and Andrew (2022) while focusing on the key changes in the 2018 CF of the IASB and how it reinforced the financialization of economies, highlight that the IASB is "deepening commitment to the needs of a very narrow set of market actors despite its public interest charter". They further consider that the recent updates made by IASB to its 2018 CF focus on production to wealth which is likely to benefit a small group of people when compared to the previous CFs. To further validate this point, they compared the global economic inequality report to the public interest which is one of the IASB's charters. Hence, the refinement of the IASB to fulfill the needs of the financiers has strongly ignored the other stakeholders of the GPFRs. Freeman (1984) and Freeman and Reed (1983) describe a stakeholder as a person or a group of individuals who can influence the achievement of organizational goals and objectives and are also influenced by the achievement of those organizational goals and objectives (Freeman & Reed, 1983). This description is helpful for the management in identifying the stakeholders of the organization (Deegan, 2023). According to Deegan (2014), this theory involves corporate management identifying all the stakeholders related to the entity concerned. In the area of business ethics and management of organizations, the stakeholder theory has been widely used which leads to effective and efficient ways to manage organizational issues (Harrison et al., 2015). As per Harrison et al. (2015) and Clarkson (1995), from international contexts, stakeholder theory assists in making strategic decisions as this theory can uncover social and business issues.

Furthermore, stakeholder theory is considered to be an overarching theory that contains optional theories dealing with stakeholder relationships, rights, powers, and stakeholder management (Deegan, 2023). Deegan (2002) states that stakeholder theory provides an organizational view of corporations forming "part of a broader social system wherein the organization impacts on and is affected by, other groups within society" (p. 295). The particular groups within society are called stakeholder groups which include shareholders, lenders, creditors, potential investors, government, trade unions, recipients of goods and services such as consumers, and regulatory bodies (Deegan, 2014) since the stakeholder theory focuses on corporations' interaction with various stakeholder groups as identified.

Moreover, stakeholder theory is further characterized into two branches which are the ethical branch of stakeholder theory and the managerial branch (Deegan, 2014). The ethical branch of stakeholder theory is also referred to as moral or normative, which states that the management views all its stakeholders as equal and the same amount of information is provided to everyone (Deegan, 2014). The normative ethical theory perspective of stakeholder theory prescribes that there is fair treatment amongst all the stakeholders of the organization and the impact of power is not taken into consideration when the management views the stakeholders of the company (Hasnas, 1998; Deegan, 2014). Hasnas (1998) states that even though managing the stakeholders improves the financial performance of the organization, the management of the organization must consider the benefits of all the stakeholders and their interests. Stoney and Winstanley (2001) stated that this branch of stakeholder theory focuses on the ethical treatment of stakeholders which may overlook the economic motive to make a profit but rather focus on the moral role of an organization bringing positive effects on the lives of people.

Moreover, the other branch of stakeholder theory is the managerial perspective of stakeholder theory which explains that the management can identify the key or powerful stakeholders and is likely to meet the expectations of these groups (Deegan, 2014). According to Gray et al. (2009), the organization of concern identifies its stakeholders "depending on how far the organization thinks its interest can be furthered through management of the group" (p. 26), a term called salient (Mitchell et al., 1997). Freeman (1984) researched to understand the dynamics of how organizational decisions are influenced by stakeholders as one of the major roles of management is to meet stakeholder demands so that the organization's strategic objectives are met. Friedman and Miles (2002) discuss that stakeholder expectations and powers vary over time, however, as the stakeholder power increases, the organizations' role in meeting these expectations increases (Roberts, 1992).

Further to this Clarkson (1995) divided the stakeholders into primary and secondary stakeholders. A primary stakeholder is defined as without their continuous engagement with the organization, the organization will not survive and secondary stakeholders are defined as someone whose engagement does not influence the survival of the entity (Clarkson, 1995). According to Clarkson (1995), the primary stakeholder definition is in line with the managerial branch of stakeholder theory as the organization if it needs to succeed, it has to consider the benefits of the primary stakeholders in contrast to ethical stakeholder theory which considers all the stakeholders as equal. Ullman (1985) states that a stakeholder can influence the organization and its management based on the stakeholder's control of these resources which are eventually required by the entity to operate. If these resources are critical for the continuation of the entity then there is a higher expectation for the corporate management to meet these stakeholders' demands (Hasnas, 1998; Deegan, 2014). Accounting information and social performance information are key factors used by the organizations' management in managing stakeholder relationships (Gray et al., 1996).

The CF has been revised two times, once in 2010 and recently released in 2018 showing that revisions are made to legitimize financial-led capitalism, including avoiding government regulation and putting dominance on financial capital which tends to inform and reward the financiers of capital (Zhang & Andrew, 2022). In contrast, according to Yiting (2021), as accounting standards are developed, the CF acts as a practical tool assisting its formulation by searching whether the CF is fair.

Fairness depends on sufficient consideration being given to the various users and their requirements (Yiting, 2021).

However, researchers like Piketty (2020) and Stiglitz (2010) suggest financial markets due to deregulation and liberalization have failed with the pandemic and the global financial crisis has further shaped financial reporting toward investor interests in equity markets introducing regimes of inequality. The focus now is on the quality of financial reporting so that the stakeholders, financial institutions, and markets are protected as a result of the global financial crisis (Ballas et al., 2019), especially the resource providers. Oke et al. (2020) conducted a study and found that developed nation's policymakers should implement policies to strengthen the economy otherwise inflation, power economic growth, and lower returns would lead to foreign investors investing in developing nations.

Hence, the ethical branch of stakeholder theory is inconsistent with the IASB's ideology of preparing reports for the financiers. Here the management treats all its stakeholders as equal and thus, the GPFRs (accounting information) are prepared because of all the users and not just the financiers of the entity, thus, voluntary disclosures (on sustainability issues — information and the organization's contribution to the environment, economy, and society) form part of the financial reports despite being unregulated and not in the accounting standards issued by the IASB. This branch of stakeholder theory is contradictory to the objectives of GPFRs.

However, the next branch of stakeholder theory which is the managerial branch of stakeholder theory is consistent with IASB's stand on financial reports being prepared from the financiers' interest point of view. The managerial branch of stakeholder theory explains that the management will try to identify the most powerful stakeholders of the entity and provide them with more information in comparison to the least powerful stakeholders. This branch of stakeholder theory supports the idea that financiers are the main and the most powerful stakeholders and therefore they are being provided more information and reports prepared in their interest. This is consistent with the IASB's stand on financiers as the primary user group's interests. The 2018 CF focuses on meeting the needs of the resource providers since they bear the risk of providing funds, therefore, they are considered the primary beneficiaries of such information (Gag, 2021). Undoubtedly, the IASB is giving priority to the investors, lenders, and creditors in both 2010 and 2018 CF as they are the resource providers and thus it is very important to meet their information needs (Bandara, 2019). However, Gag (2021) argues that IASB needs to consider the views of other stakeholders on the information needed from the GPFRs.

Table 2 provides a summary of the implications of stakeholder theory on the IASB's decision to restrict the primary users of the GPFRs.

Table 2. Implications of stakeholder theory on the IASB's decision to restrict the primary users of the GPFRs

Sources	*Implications of stakeholder theory on user restrictions*
Freeman and Reed (1983), Freeman (1984)	Defined who is a stakeholder as it assists management in identifying stakeholders relating to their entity.
Freeman (1984), Mitchell et al. (1997), Gray et al. (2009)	Discusses salient stakeholders among the stakeholders the most significant stakeholder's contribution is captured.
Ullman (1985), Hasnas (1998), Deegan (2014)	Stakeholder's control of the resources has implications on the expectations of these stakeholders being met by the management.
Hasnas (1998), Stoney and Winstanley (2001)	All the stakeholders' interests must be taken which is consistent with the ethical branch of stakeholder theory which is a shift in economic motives to the moral obligations of the entity.
Roberts (1992), Friedman and Miles (2002)	Stakeholder expectations and powers change. The more powerful the stakeholder is, the more likely the organizations will work to meet these expectations.
Clarkson (1995)	Divides stakeholders into primary (continuous engagement is needed for the survival of the entity which is a managerial stream of stakeholder theory) and secondary (no influence on the entity's survival which is a normative stream of stakeholder theory).
Gray et al. (1996)	Factors used to manage stakeholder relationships include accounting and social performance information.
Deegan (2002, 2014, 2023)	Stakeholder identification is important to the management of the entity concerned. The organization (entity) is part of a broader social system where all the stakeholders are important and not just a few as identified by the IASB in their current CF. Stakeholder theory is divided into two streams, the ethical branch where all the stakeholders are the same, and the managerial branch where only powerful stakeholders are valued and given more information and their expectations are met.
Stiglitz (2010), Piketty (2020)	Financial markets based on deregulation and liberalization have failed due to the COVID-19 pandemic and global financial crisis with a focus on resource providers only.
Harrison et al. (2015)	Stakeholder theory has been used in managing organizational issues well, assisting in managers making strategic decisions as the theory reveals social and business issues.
Ballas et al. (2019)	The focus was on the quality of financial reporting as a protection for stakeholders due to the global financial crisis.
Bandara (2019), Gag (2021), The authors' interpretation	The ethical branch of stakeholder theory is inconsistent with the IASB's stance. The managerial branch of stakeholder theory supports the IASB's stance on putting the financiers as the primary user group of the GPFRs.
Oke et al. (2020)	Policymakers in developed nations should make policies to strengthen their economies otherwise foreign investors would be lost to other nations.
Yiting (2021)	The CF acts as a tool to identify fairness when accounting standards are developed.
Zhang and Andrew (2022)	Reinforced financialization of economies as a strong connection between certain financial market actors like shareholders. Focus on wealth production to certain groups increasing income inequality which contradicts public interest as the overriding principle.

4.2. Financiers' priority as the main user of GPFRs

Bala (2012) further stated that "according to IASB, without a defined group of primary users, the CF would risk becoming unduly abstract or vague" (p. 9). This provides the reasoning as to why the IASB has narrowed down the wider groups to a more focused group so that the CF is achieving clarity and is not empty since the reports are intended for someone. Bala (2012) while evaluating the 2010 CF noted that the decision of the IASB to make the financiers of the entities' primary user group of GPFRs is due to the following reasons:

"(a) Existing and potential investors, lenders and other creditors have the most critical and immediate need for the information in financial reports and many cannot require the entity to provide the information to them directly; (b) The IASB and the FASB's responsibilities require them to focus on the needs of participants in capital markets, which include not only existing investors but also potential investors and existing and potential lenders and other creditors; and (c) Information that meets the needs of the specified primary users is likely to meet the needs of users both in jurisdictions with a corporate governance model defined in the context of shareholders and those with a corporate governance model defined in the context of all types of stakeholders" (p. 9).

The term relevance as a fundamental qualitative characteristic captured in the CF provides reasoning that accounting information should be capable of influencing user decisions by providing confirmatory and predictive values. Confirmatory value depicts that a person can conclude whether the decisions that were made were effective or not since the results are known. Predictive value is achieved when the numbers are being used to forecast and make predictions and the decision is based on that. This term "relevance" clearly shows that there is a strong move toward investment decisions which makes the existing and potential investors regarded as the primary user group by the IASB in the 2018 CF. The decision usefulness theory is mostly applied to investment decisions and thus, is in line with the IASB's CF on the objective of GPFRs. The decision usefulness theory states that the results from the accounting system provide input into the decision-making process (Godfrey et al., 2010).

The term "relevance" discusses providing useful information that may exclude certain information that can make the financial statements less complete and not faithfully represented, however, the CF allows certain information to not be included if it does not provide useful information. This shows that investors and creditors have to make decisions and therefore the emphasis is on useful information only for investment decisions. This provides possible reasoning as to why financiers are put as the top priority as the main users of GPFRs and that the reports are prepared only for them. However, the CF is silent on stating what information is useful thus, is left to the judgment of management to decide which may lead to certain biases or divergent interests that may not be accounted for by the IASB (Azam, 2017; Pelger, 2019).

5. CONCLUSION

The CF is considered an important document when it comes to theorizing accounting as a discipline. It is a guideline that assists various parties in many ways such as formulating consistent accounting standards, providing guidance in developing accounting policies where there are no standards, and helping in the interpretation of aspects by both the preparers of accounting reports and the various users of reports. Though CF is not compulsory to follow, its usefulness cannot be undermined since it is a theoretical foundation for the accounting discipline.

The IASB had classified the financiers of the business as the primary users of financial information and no other broad users which were previously stated in the 1989 CF. The normative branch of stakeholder theory does not favor the decision of the IASB to limit the financiers as the only primary users of the GPFRs. This branch of stakeholder theory argues that other user groups are equally important both from social and non-social perspectives.

However, this branch also acknowledges that without financiers, the organization will not survive. Therefore, there is a strong obligation to meet the information needs of the financiers and without a doubt fulfill the moral obligation of other users of the organization. On the contrary, the managerial branch of stakeholder theory fully supports the decision of the IASB to limit the primary user of the GPFRs to financiers only as management considers the financiers as the most influential stakeholder group whose information needs must be fulfilled under all the circumstances. The IASB's position that the interests of financiers should be the primary user group is congruent with this. As they assume the risk of disbursing funds, resource providers are the main recipients of this information, and as such, the 2018 CF focuses on addressing their needs (Gag, 2021). Hence, this study reaffirms the ongoing issue of why the IASB supports the financiers as the primary user group of GPFRs. It further makes sense that without a defined group of primary users, the CF would risk becoming unduly abstract or vague (Bala, 2012). This study aims to bring more clarity to the existing body of knowledge on the IASB's move to limit the GPFR's primary users to financiers only. In addition, the findings of this study are encouraging researchers to focus future research on the perception of financiers on how the information asymmetry in the GPFRs has improved by the IASB view on the preparers to meet the information needs of the financiers in the GPFRs.

Moreover, this study has added to the body of knowledge on the IASB's decision to prioritize the interests of financiers over those of other users of financial reports. However, stakeholder identification is equally important to the management of the entity concerned in managing stakeholder relationships and meeting the expectations (powerful) but it is important to note that the organization (entity) is part of a broader social system where all the stakeholders are important and not just a few as identified by the IASB in their current CF (Deegan, 2023). In addition, this study has some limitations.

This study has focused on the qualitative approach and has critically analyzed secondary resources to base its arguments such as the comparison of the IASB's CF of 1989, 2010, and the 2018 documents and published literature. However, it would be interesting to see the use of different approaches and to further validate this study by interviewing different stakeholders of the entities, grounding another theory, or doing a quantitative analysis on whether the IASB's decision to make financiers the primary user group is justified or not as a view of the stakeholders and not from standard setters point of view. Finally, from a broad user' and other theoretical standpoint, we strongly advise future studies to critically analyze the implications of the IASB's decision to reclassify financiers only as the primary users of GPFRs.

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