The users’ primacy principle in the European accounting directive: an analysis of the standard-setting process
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In 2009 the European Commission launched the public consultation on the review of the Accounting Directives as part of the project to modernise and simplify EU accounting rules, which led to the new European Accounting Directive in 2013. This process offers a unique research opportunity to explore the under researched – but extremely relevant – EU accounting standard-setting process, in order to understand constituents’ different orientations on key topics in reporting regulation and the role played by the users’ primacy principle in shaping the new Directive.

Results show significant differences in respondents’ views on the choice between mandatory requirements and voluntary disclosure and on differential reporting. Constituents from different geographical contexts do not share the same view on either topic, while users, the accounting profession and preparers express different orientations with regard to mandatory reporting and voluntary disclosure. In the light of these results, the new Directive seems to be inspired by the users’ primacy principle for issues connected to mandatory reporting and voluntary disclosure, in contrast with preparers’ expectations.
This study adds to the literature by focusing on the European standard-setting process, which limited research has looked at so far, with theoretical and public policy implications and also provides a basis for further research in this area.

Keywords: accounting directives, European accounting system, differential accounting, standard-setting process, international accounting