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Review paper

REVISED QUALITATIVE CHARACTERISTICS OF FINANCIAL STATEMENTS AS PRECONDITION FOR STREGHTENING INFORMATION POWER ON CAPITAL MARKET

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Abstract. *The globalization of businesses, the expansion of capital markets, and present financial crisis are just some of the factors that contributed not only to changes of the business environment for reporting entities and users of the reports, but also have imposed the need to review objectives and qualitative characteristics of the existing Conceptual Framework of Financial Reporting. In this area, there are deficit of trained professionally qualified accountants and auditors, especially in transition countries' markets, so "financial intelligence" of stakeholders in the companies (management) is lacking. These structures should have the sensibility of importance of transparent and fair reporting which content accounting information, which should have to be promptly distributed to their users. Therefore, the aim of this paper, starting from certain modifications in the domain of qualitative determinant instruments for financial reporting, is to point to the prospects for improving accounting and information support to primary users, especially in the capital market, which is of great importance not only for the perception of the company and increase of confidence in the effectiveness of executive structures, but also for the possibility of reduction of possible abuses (especially in the insider trading).*

Key Words: *conceptual framework for financial reporting, qualitative characteristics of financial statements, capital market, primary users of information.*

INTRODUCTION

The construction, maintenance and functioning of a stable economic and financial system implies setting a solid foundation of the capital market system, which can be established only with the existence and respect (which is extremely important!) of healthy,

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sustainable and strict regulations (especially in accounting field) that would meet the obligations, give equal rights to all participants with emphasis on information for business and investment decisions. Therefore, satisfying information needs of investors, as the primary users of financial statements in the turbulent economic conditions, is an imperative, not only by institutional and professional regulatory bodies, but also by the own financial system. Highlighted facts inevitably influenced the modification of the existing objectives and qualitative characteristics of general purpose of financial statements, because of growing importance of the building, preservation, enhancement and promotion of efficient capital markets.

In the above context, *the main purpose of this paper* is to examine areas of improvement of Conceptual Framework of Financial Reporting, starting from the characteristics of capital markets and comparing the characteristics of traditional and revised financial reporting framework, with the intent to determine whether it will thus improve the reporting and information content of investors and creditors, as primary information users. We believe that the implementation of certain reforms (in the areas identified as "critical") of the existing Conceptual Framework for Financial Reporting (1989) makes a good precondition for improving the quality of financial reporting, reduces abuses, improves the corporate culture, improves the "financial intelligence", which would ultimately result in a timely, transparent and fair AIS output for all interested parties. In the paper we emphasize new items in the last part of Conceptual Framework for Financial Reporting – qualitative characteristics of financial reporting, as they are a consequence of changing objectives and users of financial reporting information.

Proceeding from the above, the paper is structured in such a way that besides the introduction and conclusion, its aim and purpose are explained in two parts. *The first part* develops a theoretical framework of capital markets as one of the major segments of the financial market and financial analysis as an important information base assessment of solvency of the company. *The second part*, which is central, briefly looks at the target, the users of financial statements (that would be the focus of qualitative characteristics of the Conceptual Framework of Financial Reporting in 2010), and to the appreciation of the better possibilities in terms of information support to users of financial statements. In the end, we noted the remarks we reached.

1. THE CAPITAL MARKET AS A SIGNIFICANT SEGMENT OF FINANCIAL MARKETS

The development of capital market (as a major financial institution market), as well as its adequate legal and institutional set-up, is undoubtedly of great importance for the prosperity of the entire economy, because it provides greater long-term availability of funds for financing, facilitates access to capital, contributes to more efficient allocation of resources, increases domestic savings and the financial distribution of income through the dispersion of ownership. This is actually about a market dominated by investors (existing and potential), so that the creation, preservation and improvement of the system of mutual trust between investors is crucial. It suggests that the capital market has its own postulate which is important for its existence, the requirements which have to be met, and role which it has to play. The basic requirements placed upon the capital market are: a) the company becomes and remains solvent, b) there are conditions for making objective market price for individual shares of the companies in terms of existence of supply and demand; c) capital market provides an objective and accurate information for all participants. (Ćirović., Z. 48) Also, the capital market has to fulfill its primary role: to protect the interests of investors. The successful realization of its objectives, requirements and postulates implies its continued development and adequate organization, which can be achieved by fulfilling two major functions: a) first, which is implemented in the primary market is reflected in the provision of risk capital through new shares and long-term sources of funds and issuance of bonds, and b) the other function, perhaps more important, which is reflected in capital market's functioning as a secondary market for securities which are issued in the past. (Đikanović, Z. 2005. 3-4).

Proper evaluation of any legal form of the enterprises is substantially determined by the existence of credible and relevant financial statements because these components are of fundamental importance for the perception of the company, which indirectly inspires confidence in the effectiveness of executive structures and reduces the possibility of abuses. The goal of integrated financial reporting characteristics is to offer the information that have advanced and fundamental attributes to all interested entities (legal entities and/or individuals). Those financial statements are the basis to assess the company's operations, to conclude of its existing and future activities, as well as to make choices among several investment alternatives which are offered. In fact, as an important source of information for mostly primary users, the financial statements should be verified through external control mechanisms by an independent third party auditor-who really needs to "guarantee" its fair presentation, while the financial analysis by their users is a way to transform financial information into an acceptable form for making business and investment decisions (Lalević Filipović, A., Lakićević, M, 69-71)

1.1. Financial analysis as a basis for assesment of financial status of the company

Fundamental analysis is a complex and thorough analysis of the financial statements of the company, which is supplemented by analysis of the sector in which the company operates, and its macroeconomic environment. The goal of fundamental analysis is to assess the financial position of companies, especially in terms of determining the fundamental value of its shares (Ćirović, Z. 48). The focus of fundamental analysis is surely a financial analysis of companies, but in addition to financial analysis in the assessment it must include the results of the macroeconomic, sectorial and business analysis of the company. Regarding this, a company's financial analysis for a specific period aims:

- To consider *the financial position of the company*, where it views the company's financial balance and debt performance. The obtained parameters (can be quantified as good, acceptable and bad) are of great importance, since it is the imperative of growth, development and survival of companies, primarily because they determine the ability of its financing;
- To determinate *the proprietary position of the company*, which aims to detailly analyze company's property in terms of manifestations (assets), to analyze the structure of assets, the adequacy of their goals and objectives, and to determine the degree of capacity utilization, efficiency of use and speed of their craft.
- To determinate *the position of the company yield*, based on the determination of earnings power, and to analyze income statement or to analyze the structure of revenues and expenditures, including analysis of the lower point of return (LPR) and quantification of the business, financial and overall business risks.

In the above context, the financial statements, which represent the final product of AIS, should possess both fundamental as well as improving performance. Only such "complete" financial statements of the reporting entity, thorough analysis and assessment, create an appropriate information base for investors and creditors in order to decide whether to maintain the existing investment or to increase it. However, the adoption of any business and investment decisions by the user assumes the transparency of financial statements which is provided (or at least should be provided) by Legal accounting regulations, as an important component of the whole accounting regulations. The fulfillment of these assumptions is particularly important precisely because globalization of financial markets highlights the existence of adequate information needs of investors, creditors and other users. In this paper we highlight the term "adequate". In order for financial statements to be the basis for quality business and investment decisions, it must be credibly presented, which means that their reliability has to be confirmed through the mechanism of external control by independent third parties: auditors. The analysis of financial statements by their users aims to convert the information presented in concise and accessible forms for certain decisions. Proceeding from this, the process of financial reporting is presented in this way:

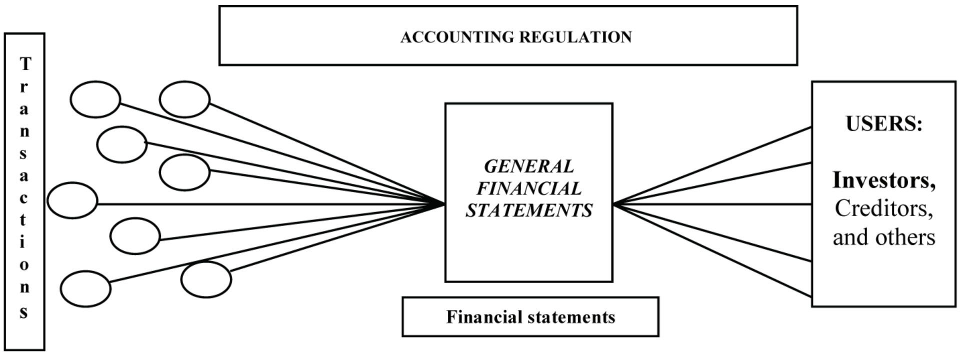

Fig. 1. Financial reporting process
Source: (Demirović, S., 61)

Thus, the ultimate products of AIS are accounting data, indicators and information contained in the financial statements, so users of financial statements should be "financially smart enough" to use them. Radical changes in the area of reporting and information content of AIS have resulted in the creation and implementation of harmonized, global, high-quality and applicable standards for reporting of financial instruments. Those facts received an additional boost resulting in 2002 by signing a Memorandum of Understanding between the International Accounting Standards Board (IASB) and the American Committee for the Financial Accounting Standards Board (FASB) (Stanovčić, T., 295). These institutions have already launched the project in 2004 in order to revise the existing Conceptual Framework for Financial Reporting. Actualization of this issue is particularly driven by the emergence of new accounting and balance forms of property and sources which are ultimately reflected in the current review of the eligibility rules for the recognition and valuation of assets and liabilities (Škarić, Jovanović, K.., 4). Thus, we conclude that the revision of the conceptual framework of the International Financial Reporting Standards (IFRS) imposed itself as a necessity.

2. CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING 2010 – CAUSES AND DEVELOPMENT PHASES

Harmonization and standardization of financial reporting is a result of the need for easier and more reliable accounting information process. As the environment in which the reporting entity carries out its business activity continuously suffers changes, Conceptual Framework of Financial Reporting should adapt to them. Therefore, the idea of revising Conceptual Framework of Financial Reporting is directly linked with eliminating inconsistencies, gaps and contradictions based on Framework from 1989. Revision of IFRS Framework is designed to be carried out in eight phases, where in September of 2010 revision completed the first phase of the project - objectives and qualitative characteristics, which also contributed to the completion of a new name: Conceptual framework of FI 2010 (hereinafter 2010 Framework), noting that progress in the implementation of the other seven phases simultaneously, although not at the same pace. Below (Table 1) are given to review the Framework[1] in stages[2]:

Table 1.

Phase	Topic	Status
A	Objectives and quallitative characteristics	Finalised (subject of this Briefing Sheet)
B	Elements and recognition	In progress
C	Measurement	In progress
D	Reporting entity	Exposure draft issued
E	Presentatio and dislosure, including financial reporting boundaries	Not started
F	Framework purpose and status in GAAP hierarchy	Not started
G	Applicability to the not-for-profit sector	Not started
H	Entire framework	Not started

Source: http://www.kpmg.com/CN/en/IssuesAndInsights/ArticlesPublications/Newsletters/IFRS-Briefing-Sheet/Documents/IFRS-Briefing-Sheet-O-1010-213.pdf, p.2 (06.02.2012.)

So, the end of 2010 in terms of financial reporting brings some novelties in comparison to 1989 when the original Framework was based. The entire reporting and information content of the reporting entity or the rules of assessment and recognition of balance sheet items rested on 1989 Framework. The changes that are followed are related to objectives as well as to qualitative characteristics of financial statements. As we consider phase A and within it the qualitative characteristics of financial statements, we will briefly give an overview of the essential differences and objectives between 1989 Framework and 2010 Framework, precisely because the changes of qualitative characteristics where caused by the changes of the objectives. In fact, 1989 Framework emphasizes that the purpose of financial statements is to provide information to a wide range of users (investors, state, government, suppliers, etc), so that their aim is directed linked to providing information on financial position, performance and changes in these positions to these users so they could be able to make business and financial

[1] The Board is also working to develop discussion papers for potential chapters addressing the elements and measurement (Phases B and C) (http://www.bdointernational.com/Services/Audit/ IFRS/IFR-Bulletins-2011/IFRB%202010/IFRB-2010-24.pdf, p.4, (01.03.2012.)).

[2] See in details:http://www.fasb.org/project/cf_phase-b.shtml (01.03.2012.)

decisions. However, these financial statements did not provide all information that may be necessary for users to make business decisions, since they largely reflected the picture of the financial effects of past events without providing any non-financial information (Stanovčić, T., 296). Modification of the objectives was followed just above this reason. The modification is given in 2010 Framework where it is stated that the objective is to provide such information content of the reporting obligator that is useful to the existing and potential investors, creditors and lenders (and therefore the number of information users is decreased[3]) in making decisions (purchase, sale, possession of capital and debt instruments, loans, etc) whether to provide funds to entity, noting that users of financial information may require reporting entities to provide them the direct information about the investment or approve funds, so in the decision-making process they have to rely on the information content in the financial statements.

In the above context, the following tabulation (Figure 2) gives a brief overview of the differences and similarities between the 1989 Framework and 2010 Framework in terms of quality characteristics of financial statements.

FINANCIAL STATEMENTS

<table>
<tr><th></th><th colspan="2">IFRS 1989 Framework</th><th colspan="3">IFRS 2010 Framework</th></tr>
<tr><th></th><th colspan="2">FUNDAMENTAL</th><th>FUNDAMENTAL</th><th colspan="2">ADVANCED</th></tr>
<tr><td rowspan="4">QUALITATIVE CHARACTERISTICS OF FINANCIAL STATMENTS</td><td>Relevance</td><td>Reliability</td><td>RELEVANCE</td><td rowspan="2">comparability</td><td rowspan="2">intelligibility</td></tr>
<tr><td>1.predictive role
2.confirming role
3.essential for decision making.</td><td>1.credible presentation
2.complete
3.neutral;
4.the essence more imporatant than form;
5. cautiont;
6.completeness;</td><td>1.predictive role
2.confirming role
3.essential for decision making.</td></tr>
<tr><td rowspan="2">intelligibility</td><td>comparability</td><td>FAIR PRESENTATION</td><td rowspan="2">verifiability</td><td rowspan="2">timeliness</td></tr>
<tr><td>In space and time</td><td>1.complete
2.neutral
3.without material mistakes;</td></tr>
<tr><td rowspan="2">Limits</td><td>timeliness</td><td>Balance between costs and benefits</td><td colspan="3">Balance between costs and benefits</td></tr>
<tr><td>a true and fair view (fair presentation)</td><td>Balance between qualitative characteristcs</td><td colspan="2">Balance between qualitative characteristcs</td><td>a true and fair view (fair presentation)</td></tr>
</table>

Fig. 2. Qualitative characteristics of financial statements: Old (1989 Framework) vs revised (2010 Framework)

Source: (*http://www.kpmg.com/CN/en/IssuesAndInsights/ArticlesPublications/Newsletters/IFRS-Briefing-Sheet/Documents/IFRS-Briefing-Sheet-O-1010-213.pdf, p. 1-3, (06.02.2012.) i Škarić-Jovanović, K.,. 4-7*)

[3] Decreasing of the number of users of financial statements caused a big debate in the A phase. However, it was the view that government and the state (who where the users of financial statements in 1989 Framework) do not need to turn into the primary users of financial statements just because they have the ability to influence the reporting entity to request and obtain information that will meet their needs .

We emphasize that the revised Framework in 2010, not only changes the objective of financial reporting, but also introduces some new items in their qualitative characteristics.

2.1. Quality characteristics of financial statements – 1989 Framework vs 2010 Framework

2010 Framework unlike 1989 Framework distinguishes two types of qualitative determinants of financial statements:

- ***Fundamental (primary)*** which are:
  - Relevance and fair presentation,

  As well as the ones which need to improve fundamental characteristics, titled as:
- ***Advanced (supporting)***, including:
  - Comparability, timeliness, ***verifiability and inteligibility***.

Also, there have been some changes in the domain constraints of qualitative characteristics of financial statements which will be discussed later.

2.1.1. Fundamental (primary) characteristics of financial statements in 2010 Framework

Fundamental (primary or basic) qualitative characteristics of financial statements should indicate the significance and fair presentation of the same. Unlike the 1989 Framework, it is observed (see Table 1) that it decreased the number of these characteristics (1989 Framework distinguishes four fundamental characteristics while the revised Framework only two). The purpose of differentiation of the characteristics of financial statements into fundamental and advanced is made with a desire that parts of the revised 2010 Framework should be better understood.

Fair presentation (formerly known as "reliability" in the 1989 Framework) is the first in a series of basic characteristics of financial statements, whose mission is to enable financial statements without any prejudice and material misstatements, so they can be useful for business decisions. In the above context, 2010 Framework points out, that the accounting information which posses these qualitative characteristic should be:

a) *Neutral,* so there is not prejudice in its selection and presentation,
b) *Complete,* so that user understands the phenomenon which is described,
c) *Without any material misstatements*. Since the above condition is partly a novelty of fair presentation, and considering the fact that it is very difficult to completely eliminate errors in the financial statements, it is considered that the Committee should evaluate as fair that information which contain no errors or omissions that make it impossible to obtain a fair description of the economic phenomenon. (Škarić, Jovanović, K., 6).

A comparative study of the Framework in 1989 versus the one in 2010 in the field of the analyzed qualitative characteristics of financial statements leads to the conclusion that there are some differences. 1989 Framework is considered to be a reliable piece of information that: **a) should faithfully reflect** the economic situation that is occurring (or will occur); **b) essence has priority over the form, c) is neutral d) is carefully measured**, and finally, **e) is complete.** In contrast, the 2010 Framework leaves feature a) b) and d) and besides c) and e) introduces a feature titled as: **lack of material misstatement**. However, in this section, the Board believes that **precaution** before known as an important assumption of reliability should be excluded because it is inconsistent with neutrality[4]. Also if we want to achieve a fair presentation of financial reporting we should respect IFAC code of ethics for professional accountants. This code has the intention of the successful realization of the accounting profession objectives in order to achieve the confidence and security, as well as the professionalism and quality of accounting services.

Relevance (significance) (the same name as in 1989 Framework) means that financial statements should be a function of certification and assessment of the past events' effects (confirming role), and a function of prediction of current and future economic activities' effects on the financial position, business performance and the cash flows generated by the company (predictive role). If the accounting information will be relevant or not it primarily[5] depends on its nature[6], size and position, which means that if they are omitted or incorrectly interpreted they will produce negative influence to decision makers. Generally, an item in the report is important if there is reasonable expectation that the knowledge of it can influence decisions made by financial information users (Gray, S., Needles, B., 181). Therefore, based on the foregoing, we conclude that the mentioned characteristics of financial statements did not have any substantial changes in relation to the 1989 Framework. However, we note that the Committee points out that relevant information is a very broad term, so in the process of evaluating that information we should begin from a particular entity, as well as from the nature and size of items to which the information relates.

In addition to the fundamental characteristics, each financial statement should have certain characteristics that should be aimed at improving the basic features: fair presentation and relevance.

2.1.2. Advanced qualitative characteristics of financial statements

The Framework from 2010 brought some structural changes to the qualitative characteristics of financial statements. In fact, the qualitative characteristics such as comparability and intelligibility, which according to the 1989 Framework had a fundamental feature, are classified in *supporting* category by the revised Framework from 2010. The supporting feature means that they provide the financial statement to be presented as fair and relevant to their users. Furthermore, the timeliness which has been highlighted as a limitation of financial statements in the previous Framework, as well as verifiability (a new characteristic which did not exist in the previous Framework), also receives the title of advanced characteristics.[7]

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[4] Removing the requirement of **caution** in the financial statements it can be opened significant space for overly optimistic presentation of the financial position and earning ability of the reporting entity. (From: Škarić, Jovanović, K., 6)

[5] Consequently, the Board cannot specify a uniform quantitative threshold for materiality or predetermine what could be material in a particular situation. (*http://app1.hkicpa.org.hk/ebook/HKSA_Members_Handbook_Master/volumeII/framework.pdf*, p.15, (01.03.2012))

[6] For example, in a multinational company, the error of 5,000 € in recording some items may not be so important, but the discovery of bribery or theft of 5,000 € can be very important. (The source of example: Gray, S., Needles, B., 181)

[7] We highlight that above features enhance the fundamental attributes of the financial statements in an individual way or in combination.

Therefore, according to 2010 Framework, characteristics to improve the basic aspects of the financial statements are:

- *Intelligibility,* which means that the information contained in financial statements should be presented in such a way that users can understand it, so they could convey the intended meaning. Will statements be understandable or not depends on how they are compiled by accountants, and how they are used by the users (decision makers), who should have the basic knowledge to interpret information and to use them for adoption and implementation of certain business activities;
- *Comparability*, in order to determine the trend of changes in financial position and to determine profitability of business enterprises, which can be achieved through consistent adherence to evaluation and measurement of the effects of business events from period to period.[8] In this sense, the above characteristic should enable investors, creditors and others to identify and understand financial statements of entities in the flow of time, and to compare the financial statements of different entities (Stanovčić, T. 298). Finally, comparability of financial statements is provided if the users are timely informed about the changes in accounting policy (changes in the basis, techniques and methods of recognizing and measuring the effects of business events) in the same or in different companies (for comparing).[9]
- *Timeliness,* which means that if we want that instruments of financial reporting had a great use value, especially for decision-makers they must be (in accordance with the Law) submitted to a reasonable time.
- *Verifiability*, which is a new characteristic from 2010 Framework. In fact, the information is verifiable in the sense that it should ensure credibility and objectivity. It requires that independent observers reach the same or similar conclusions that: a) is not biased or contains material errors and b) recognition of the chosen method of assessment is applied free from material error and subjectivity (Škarić, Jovanović, K., 6).

In the above context, it is noted that the changes in objectives of financial reporting caused structural and substantive changes in qualitative characteristics of accounting information, with the primarily aim to increase their relevance, fair presentation, number of eliminating errors, to reduce costs and make decisions on the optimal allocation of resources.

2.1.3. Limitations of qualitative characteristics of financial statements

Investors, creditors and others are particularly interested in the quality of financial statements, so they should recognize the limitations of quality assurance and influence them. The Framework in 2010 brought certain innovations in relation to the previous one.

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[8] Using IFRS allows the prescription of the basis for presentation of general purpose financial statements, in order to ensure comparability of company's financial statements' position with the ones in their financial statements for prior periods as well as with the financial statements of other companies. (Document: www.mf.gov.mehttp://www.gov.me/files/1239018029.pdf*, p.19*)

[9] Professional regulation in order to improve above characteristics of accounting information allows some of deviations, in case that relevance and fair presentation will be threatened if we insist on consistent application of certain accounting policies.

In fact, as already noted, in 2010 Framework timeliness is not specified as a limitation of qualitative characteristics of financial information, but is placed in the line of features that should be supporting their relevance and fair presentation. Rationality and the existence of a balance between benefits and costs (in terms that costs for obtaining information should be lower than the benefits that information creates) is retained as a significant limitation together with the true and fair presentation and presentation of relevant and credible information. Unlike the above, we recall that a 1989 Framework stated following as a limitations of qualitative characteristics: a) a lack in transparency (in spite of Law), or b) a lack in timeliness (which loses the relevance of information), c) assignment of priority to some characteristics, d) unfair presentation of information (for example, information about appropriate accounting policies, additional information and so on).

3. Changes in Qualitative Characteristics of Financial Statements in Purpose of Strengthening Users' Information Power

Revision of 1989 Framework was imposed as a necessary consequence of the changed circumstances in which reporting is performing the business activity and the fact of the emergence of a new accounting categories for financial reporting which is important for assessing the solvency of the company. Since the development of world's financial markets, the globalization of businesses, and unfortunately still present economic and financial crisis marked last decade, there are more requirements for qualitative and content-adequate accounting information, because they can largely determine the efficiency of an economy. Inconsistencies, gaps and contradictions in 1989 Framework, and its immobility which is inappropriate in such economic circumstances, have caused its revision and so the foundation of the 2010 Framework. In the first phase, new Framework has introduced changes that had an impact not only on the focus group, but also on the reporting and information content, which will affect the review of the consistency in application of existing rules for assessment and recognition (existing and new) of assets and liabilities.

Changes of objectives and initially established qualitative characteristics for financial reporting are intended to increase confidence in the financial reporting, and to decrease space of their possible misuse, and thus indirectly strengthen the system of financial markets. Regarding this, we believe that the changes that are highlighted, especially in the quality of financial statements, will influence the higher information content for investors, creditors and other primary users, so they will be able to make more effective business decisions. This is corroborated by the fact that 2010 Framework beside fundamental characteristics, extracts the supporting (advanced) characteristics in purpose to better users' decisions – whether or not to provide funds for reporting entity. This "restriction" contributes to the higher quality of information and reduces abuses. In fact, with the introduction and strengthening of the accounting regulations, as well as with the transparency and openness of the company's operations, the original "free maneuvering room" is diminished. Availability of timely, relevant, fair presented and transparent information about the company largely builds a good foundation for financial system of any economy. In fact, any entity (legal or individual) as a participant in the financial market will be able to realistically analyze the position of specific company, and to make an objective business decisions if the information has undoubtedly speak objectively about the financial, profitability and liquid position of the company.

Financial statements are most commonly prepared in accordance with an accounting model based on recoverable historical cost and the nominal financial capital maintenance concept. This Conceptual Framework has been developed so that it is applicable to a range of accounting models and concepts of capital and capital maintenance. (*http://app1.hkicpa.org.hk/ebook/HKSA_Members_Handbook_Master/volumeII/framework.pdf, p.5, (01.03.2012))*

Therefore, we believe that novelties in the first phase (phase A) of 2010 Framework will bring some relief to primary users because they will offer more comprehensive accounting, fair-presented information, without material misstatement, so that information will serve the purpose of prediction and validation and will be the best reflection of the financial position, performance and changes in financial position of companies.

CONCLUSION

Based on the aforementioned we have made the following conclusions:

- In order to remedy the identified deficiencies in 1989 Framework, IASB and FASB launch the idea of its revision, which resulted in the implementation of activities in the A phase - the changes of objectives and qualitative characteristics, in September 2010;
- Revised 2010 Framework brings some changes in objectives and users, as well as in qualitative characteristics of financial statements, noting their division on fundamental and supporting (advanced);
- Certain modifications of objectives and qualitative characteristics of financial statements will have a major impact on information for investors, creditors and others as primary users statements;

Revision of qualitative characteristics of financial statements is intended to increase confidence in them, particularly in terms of decision making, so it resulted in decreasing the space for abuses, and therefore strengthening of financial markets.

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REVIDIRANE KVALITATIVNE KARAKTERISTIKE FINANSIJSKIH ISKAZA KAO PRETPOSTAVKA JAČANJA INFORMACIONE MOĆI NA TRŽIŠTU KAPITALA

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Globalizacija privređivanja, ekspanzija tržišta kapitala, kao i već duži period prisutna finansijska kriza i sl. su samo neki od činilaca koji su doprineli ne samo promeni poslovnog ambijenta izveštajnog entiteta i korisnika izveštaja, već su nametnuli potrebu preispitivanja, a kasnije i neophodnost revizije ciljeva i kvalitativnih karakteristika postojećeg Okvira finansijskog izveštavanja. U tom domenu, na tržištu, posebno tranzicionih zemalja, vlada deficit edukovinih profesionalno osposobljenih računovođa i revizora, odnosno nedostaje tzv. "finansijska inteligencija" nosilaca interesa u kompaniji (menadžmenta). Navedene strukture bi trebalo da poseduju senzibilitet značaja transparentnih i poštenih izveštajno-informacionih sadržaja imanentni računovodstvenoj informaciji, koja kao takva na kraju bi morala da bude blagovremeno distribuirana njihovim korisnicima. Stoga je i cilj rada da, polazeći od određenih modifikacija u domenu kvalitativnih odrednica instrumenta za finansijsko izveštavanje, ukaže da li postoji mogućnost unapređenja računovodstveno-informacione podrške primarnim korisnicima, posebno na tržištu kapitala, što je od velike važnosti ne samo za percepciju kompanije, porast povjerenja u efikasnost izvršnih struktura, već i za mogućnost sužavanja prostora eventualnim zloupotrebama (posebno u delu insajder trgovanja).

Ključne reči: *konceptualni okvir finansijskog izveštavanja, kvalitativne karakteristike finansijskih iskaza, tržište kapitala, primarni korisnici informacija*