



## Change in Global Accounting Rule

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Recently the [International Accounting Standards Board \(IASB\)](#) published new requirements under which Companies will have to publish standardised operating profit figures from 2027.

- Currently, before arriving at a net profit or loss, many companies report **earnings before interest, taxes, depreciation, and amortisation or EBITDA**.
  - This figure is not defined under IASB rules and therefore can be compiled in different ways to flatter performance.
- **International Accounting Standards Board (IASB):**
  - The IASB, established in 2001 under the oversight of the **International Financial Reporting Standard Foundation** that develops and approves [International Financial Reporting Standards](#) to create a global accounting language for financial reporting, mandated by over 140 jurisdictions.
- **Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA):**
  - EBITDA is a **financial metric** that evaluates a company's **operating performance** by excluding the effects of financing and accounting decisions, allowing a focus on **core operational profitability**.

Read more: [Indian Accounting Standards](#)

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