

Analysis of the IFRS jurisdiction profile IFRS, 2018a

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As progress toward the goal of global accounting standards, the IFRS Foundation is publishing profiles of application of IFRS Standards in individual jurisdictions.

Currently, profiles are completed for 166 jurisdictions, including all of the G20 jurisdictions.

The 166 jurisdictions represent all parts of the globe, as follows:

	Number of Jurisdictions	Per cent of total
Europe	44	27%
Africa	38	23%
Middle East	13	8%
Asia and Oceania	34	20%
Americas	37	22%
Totals	166	100%

The following overall observations can be made about the information in the profiles describing how IFRS Standards are applied by domestic companies in each of the 166 jurisdictions:

Commitment to a single set of global accounting standards:

Nearly all of the jurisdictions (156 of the 166) have made a public commitment supporting a single set of high quality global accounting standards. Only Albania, Belize, Bermuda, Cayman Islands, Egypt, Macao, Paraguay, Suriname, Switzerland and Vietnam have not.

Commitment to IFRS Standards:

The relevant authority in all but eight of the 166 jurisdictions (Belize, Bermuda, Cayman Islands, Egypt, Macao, Suriname, Switzerland and Vietnam) has made a public commitment to IFRS Standards as the single set of global accounting standards. Even in the absence of a public statement, IFRS Standards are commonly used by publicly accountable entities (listed companies and financial institutions) in Belize, Bermuda, Cayman Islands, and Switzerland.

Adoption of IFRS Standards:

144 jurisdictions (87 per cent of the profiles) require IFRS Standards for all or most domestic publicly accountable entities (listed companies and financial institutions) in their capital markets. All but one of those have already begun using IFRS Standards. Bhutan will begin using IFRS Standards in 2021. Some comments on the remaining 22 jurisdictions that have not adopted:

- **12 jurisdictions permit, rather than require, IFRS Standards:** Bermuda, Cayman Islands, Guatemala, Honduras, Japan, Madagascar, Nicaragua, Panama, Paraguay, Suriname, Switzerland, Timor-Leste;

- **One jurisdiction requires IFRS Standards for financial institutions but not listed companies:** Uzbekistan;
- **One jurisdiction is in process of adopting IFRS Standards in full:** Thailand;
- **One jurisdiction is in process of converging its national standards substantially (but not entirely) with IFRS Standards:** Indonesia; and
- **Seven jurisdictions use national or regional standards:** Bolivia, China, Egypt, India, Macao SAR, United States, Vietnam.

The following table analyses the use of IFRS Standards in the 166 profiled jurisdictions by region of the world:

Region	Number of Jurisdictions				
	Jurisdictions in the region	Jurisdictions that require IFRS Standards for all or most domestic publicly accountable entities	Jurisdictions that require IFRS Standards as % of total jurisdictions in the region	Jurisdictions that permit or require IFRS Standards for at least some (but not all or most) domestic publicly accountable entities	Jurisdictions that neither require nor permit IFRS Standards for any domestic publicly accountable entities
Europe	44	43	98%	1	0
Africa	38	36	95%	1	1
Middle East	13	13	100%	0	0
Asia-Oceania	34	25	74%	3	6
Americas	37	27	73%	8	2
Totals	166	144	87%	13	9
As % of 166	100%	87%		8%	5%

The 166 profiles include all 31 member states of the European Union (EU) and the European Economic Area (EEA), in which IFRS Standards are required for all companies whose securities trade in a regulated market.

The 144 jurisdictions classified as requiring IFRS Standards for all or most domestic publicly accountable entities include the EU and EEA Member States to which the IAS 39 Financial Instruments 'carve-out' applies. The carve-out affects fewer than two dozen banks out of the 8,000 IFRS companies whose securities trade on a regulated market in Europe.

The 144 also include several jurisdictions that have adopted IFRS Standards nearly word for word as their national accounting standards (including Australia, Hong Kong, New Zealand and Korea (South)).

The 144 also include three jurisdictions that have adopted recent, but not the latest, bound volumes of IFRS Standards: Macedonia (2009); Myanmar (2010); and Venezuela (2008). Those jurisdictions are working to update their adoption to the current version.

Scope of use of IFRS Standards:

The 144 jurisdictions that require IFRS Standards for all or most domestic publicly accountable entities include 18 that have no stock exchange but that require IFRS Standards for all financial institutions (Afghanistan, Angola, Belize, Brunei, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Equatorial Guinea, Gabon, Gambia, Guinea, Kosovo, Lesotho, Liberia, Republic of the Congo, Yemen).

Of the 144 jurisdictions that do have stock exchanges, six do not require IFRS Standards for listed financial institutions (Argentina, El Salvador, Israel, Mexico, Peru, Uruguay) though they do require IFRS for other listed companies. All of the others require IFRS for all listed companies.

Around 65 per cent of the 144 jurisdictions that require IFRS Standards for all or most domestic publicly traded companies also require IFRS Standards for some domestic companies whose securities are not publicly traded, generally financial institutions and large unlisted companies. More than 90 per cent of the 126 jurisdictions that require IFRS Standards for all or most domestic publicly traded companies also require or permit IFRS Standards for all or most non-publicly traded companies.

Few modifications:

The 166 jurisdictions made very few modifications to IFRS Standards, and the few that were made are generally regarded as temporary steps in the jurisdiction's plans to adopt IFRS Standards. For example, the EU itself describes its IAS 39 'carve-out' as 'temporary', and the 'carve-out' has been applied by fewer than two dozen banks out of the 8,000 IFRS companies whose securities trade on a regulated market in Europe.

Several modifications relate to IASB agenda projects that are now completed, including loan loss provisioning, use of the equity method to account for subsidiaries in separate company financial statements, and bearer agricultural assets. Jurisdictions have begun eliminating those modifications.

Several other modifications relate to projects currently on the IASB's agenda, including accounting for rate-regulated activities. A few jurisdictions deferred the effective dates of some Standards, particularly IFRS Standards 10, 11 and 12 and IFRIC 15, though most of those deferrals have now ended. Several jurisdictions eliminated accounting policy options in IFRS Standards.

IFRS for SMEs Standard:

86 of the 166 jurisdictions require or permit the *IFRS for SMEs Standard*, and it is currently under consideration in an additional 9 jurisdictions.

