
Saudi Arabia

Local stock exchange

Tadawul All-Share Index (TASI)

<http://www.tadawul.com.sa/>

Rules for listed filings

IFRS required or permitted for listed companies?

IFRS is required for all banks and insurance companies regulated by the Saudi Arabian Monetary Agency (Central Bank).

While other entities are not required/permitted to use IFRS, they are permitted to look to IFRS for guidance on matters where the local accounting standards setting body has not issued any guidance or relevant accounting standards.

Version of IFRS

IFRS as published by the IASB

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

Not applicable. There are no foreign companies whose shares are publicly traded in Saudi Arabia.

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

IFRS is required for all banks and insurance companies regulated by the Saudi Arabian Monetary Agency (Central Bank). IFRS for SMEs is currently prohibited; however, see below for the plan of adopting IFRS for SMEs for non-listed entities.

Version of IFRS

Currently, IFRS as published by the IASB for banks and insurance companies.

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

No

IFRS conversion plans

Plans for converging

The local professional regulatory body is Saudi Organization of Certified Public Accountants ("SOCPA"). SOCPA board had formed a steering committee comprised of representatives of the Ministry of Finance, Central Bank and Saudi Stock Exchange, in addition to the representatives of SOCPA accounting and auditing standards committee to submit recommendation for the convergence of local standards with the international standards.

The steering committee held various meetings to study the convergence matter and looked into studies prepared, in regard, by SOCPA accounting and auditing committees.

On July 18, 2013, SOCPA Board of Directors agreed to apply the International Accounting Standards, after being approved, all at once. The earliest date for application shall be on financial statements of listed entities prepared for financial periods beginning January 1, 2017. For other entities the earliest date for application shall be on financial statements prepared for financial periods beginning January 1, 2018.

Further, details on list of accounting and auditing standards endorsed and under study by SOCPA are available on SOCPA's website on www.socpa.org.sa.

Entities to which converged standards with international standards would be applied

Keeping in view the complex nature of international standards, SOCPA will follow the international trend in developing two sets of accounting standards, the first one represents converged standards applied to publicly accountable entities (such as listed companies), while the second set, representing topics covered by accounting standards for small and medium size entities ("SMEs"), shall be applied to other entities.

Further, details on list of accounting and auditing standards endorsed and under study by SOCPA are available on SOCPA's website on www.socpa.org.sa.

Other useful websites

Saudi Organization for Certified Public Accountants
<http://www.socpa.org.sa/>

Tax information

Type of tax regime

Quasi-dependent. Taxable profit is principally based on the legal entity statutory accounts, with a number of adjustments provided in the tax law.

Comments on tax regime

Saudi tax law does not currently permit the use of IFRS, and it is expected that adjustments would be required to arrive at the taxable income under Saudi law. IFRS does influence accounting where there is no guidance in local accounting standards, which could have a tax impact.

Plans for IFRS converging as the basis of tax reporting

The local tax authorities have not announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SMEs.