

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Namibia**



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This Profile was prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to surveys that the IFRS Foundation conducted on the application of IFRS Standards) around the world. The IFRS Foundation drafted the Profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Institute of Chartered Accountants of Namibia (ICAN or the Institute)
Role of the organisation	ICAN is the official accounting standard-setting body in Namibia.
Website	http://www.icancpd.net/
Email contact	icanceo@ca-nam.com

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	Yes.
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Has the jurisdiction made a public commitment to IFRS Standards as that single set of high quality global accounting standards?	<p>Yes.</p> <p>In 2005 ICAN adopted IFRS Standards by issuing Circular 1/2005 <i>Status of Statements of Namibian Generally Accepted Accounting Practice (GAAP) in Relation to International Financial Reporting Standards (IFRS)</i>. That circular sets out the background to the adoption of IFRS Standards effective for financial reporting periods commencing on or after 1 January 2005. Given conditions in Namibia at the time the circular provided for a three-year transition period to limit the impact of compliance with IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> on entities other than listed entities, all of which were required to comply with full IFRS Standards including IFRS 1.</p> <p>Simultaneously to and co-ordinated with issuance of Circular 1/2005, an IFRS compliance requirement for listed entities was added into the general listing requirements of the Namibian Stock Exchange.</p> <p>Circular 1/2005 may be downloaded here. Click 'Downloads', then 'Circulars'.</p> <p>Additionally:</p> <ul style="list-style-type: none"> • Recognition of the commitment to IFRS Standards in Namibia is reflected in that the Bank of Namibia (the central bank) has adopted IFRS Standards even though no accounting framework is prescribed in the Bank of Namibia Act. • Similarly the Social Security Commission has adopted IFRS Standards for reporting purposes. • These are two significant state-owned entities, and both use IFRS Standards for financial reporting purposes.
What is the jurisdiction's status of adoption?	<p>Namibia has adopted IFRS Standards (see above) and the <i>IFRS for SMEs</i> Standard.</p> <p>The <i>IFRS for SMEs</i> Standard was adopted by Circular 2010/02 <i>Adoption of IFRS for SMEs as a Namibian Generally Accepted Accounting Framework and Specimen Audit Report</i>.</p> <p>Circular 2010/02 may be downloaded here. Click 'Downloads', then 'Circulars'.</p>
Additional comments provided on the adoption status?	None.
If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.	Not applicable.

EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements?	Yes. The use of IFRS Standards is required for all domestic companies whose securities are publicly traded. Reference is always made to IFRS Standards and not to Namibian Generally Accepted Accounting Practice.
If YES, are IFRS Standards REQUIRED or PERMITTED?	Required.

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Yes.
For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	Yes. Required for all companies required to use IFRS Standards.
For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	<p>IFRS Standards are required for all publicly accountable entities and entities that represent the public interest, whether or not their securities are publicly traded. Such entities include:</p> <ul style="list-style-type: none"> • An entity that takes deposits or loans from the public. • An entity that offers its shares to the public. • An entity that has an essential public responsibility or provides essential public service. • An entity that holds assets in a fiduciary capacity for a broad group of outsiders, such as a bank, insurance companies, securities broker-dealer, pension fund, mutual fund or investment banking entity. • An entity that is economically significant on the basis of criteria such as total assets, total income, number of employees, degree of market dominance and nature and extent of external borrowings.
If the jurisdiction currently does not require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future?	Not applicable.
<i>For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:</i>	
Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements?	Yes. Foreign companies whose securities are publicly traded in Namibia are required to report under IFRS Standards.
If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?	Required.
Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
IFRS ENDORSEMENT	
Which IFRS Standards are required or permitted for domestic companies?	IFRS Standards as adopted by the IASB.
The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:	IFRS Standards.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)?	No.
Are IFRS Standards incorporated into law or regulations?	Indirectly. See below.
If yes, how does that process work?	The Fourth Schedule of the Companies Act (Act 28 of 2004) provides the Institute of Chartered Accountants of Namibia with the authority to determine what constitutes Generally Accepted Accounting Practice in Namibia and hence to be the official standard setting body in Namibia. As noted above , the Institute, in turn, has adopted IFRS Standards and the <i>IFRS for SMEs</i> Standard.
If no, how do IFRS Standards become a requirement in the jurisdiction?	Not applicable.
Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place?	No. Not needed – see below.
If yes, what is the process?	Not applicable.
If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	The original adoption of IFRS Standards in Circular 1/2005 was done by the Council of ICAN on recommendation of the Technical Committee of ICAN. That adoption was comprehensive, meaning that new and amended IFRS Standards issued subsequent to Circular 1/2005 are automatically adopted. For this reason the Technical Committee does not consider newly issued statements or improvements individually.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standard?	No.
If yes, what are the changes?	Not applicable.
Other comments regarding the use of IFRS Standards in the jurisdiction?	None.
TRANSLATION OF IFRS STANDARDS	
Are IFRS Standards translated into the local language?	No. The English language standards are used.
If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards?	Not applicable.
APPLICATION OF THE IFRS FOR SMEs STANDARD	
Has the jurisdiction adopted the <i>IFRS for SMEs</i> Standard for at least some SMEs?	Yes.
If no, is the adoption of the <i>IFRS for SMEs</i> Standard under consideration?	Not applicable.

Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Standard?	No.
If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the <i>IFRS for SMEs</i> Standard in the jurisdiction, and are they required or permitted to do so?	All entities without public accountability are permitted to use the <i>IFRS for SMEs</i> Standard. They may also use full IFRS Standards or Statement NAC001 (see below).
For those SMEs that are not required to use the <i>IFRS for SMEs</i> Standard, what other accounting framework do they use?	<p>When ICAN adopted full IFRS Standards in 2005, ICAN recognised that full IFRS Standards could be burdensome to many of private companies that operate in Namibia's SME economy. At the time there was no global SME standard. Consequently, ICAN adopted the <i>Eastern Central and Southern African Federation of Accountants Guide on Financial Reporting for Small and Medium-Sized Entities</i> as a Namibian statement of Generally Accepted Accounting Practice (Circular 1/2006, Statement NAC001). That statement included guidance on determining whether an entity would qualify as an SME. An SME could not be publicly accountable entity nor be considered as representing public interest.</p> <p>In 2010, ICAN adopted the <i>IFRS for SMEs</i> Standard by Circular 2010/02 <i>Adoption of IFRS for SMEs as a Namibian Generally Accepted Accounting Framework and Specimen Audit Report</i>.</p> <p>Circular 2010/02 may be downloaded here. Click 'Downloads', then 'Circulars'.</p> <p>Therefore, currently, entities without public accountability and that do not represent the public interest may choose:</p> <ol style="list-style-type: none"> 1. Full IFRS Standards. 2. The IFRS for SMEs Standard. 3. <i>The Eastern Central and Southern African Federation of Accountants Guide on Financial Reporting for Small and Medium-Sized Entities</i> adopted as NAC001. <p>The Technical Committee of ICAN is currently reviewing the option in Circular 1/2006 for entities without public accountability to use NAC001.</p>
Other comments regarding use of the <i>IFRS for SMEs</i> Standard?	Larger accounting and audit firms generally encourage SMEs to report in accordance with the <i>IFRS for SMEs</i> Standard, although full IFRS Standards are available to all SMEs. Smaller accounting and audit firms still provide the option of reporting in terms of NAC001 as an alternative to the <i>IFRS for SMEs</i> Standard. The ICAN provides annual continuing education workshops dealing with full IFRS Standards and the <i>IFRS for SMEs</i> Standard, with updates for both members in practice and members in business.