

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Bangladesh**



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This Profile has been 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 Foundation conducted on the application of IFRS Standards around the world. The 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	The Institute of Chartered Accountants of Bangladesh (ICAB)
Role of the organisation	The ICAB is the national professional accounting body and accounting standard setter in Bangladesh.
Website	http://www.icab.org.bd
Email contact	ddt@icab.org.bd

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 towards IFRS Standards as that single set of high quality global accounting standards?	<p>Yes.</p> <p>Rule 12 (2) of Bangladesh Securities and Exchange Rules, 1987 adopted by the Ministry of Finance state: "The financial statements of an issuer of a listed security shall be prepared in accordance with the requirements laid down in the Schedule and the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh. Explanation-In this sub-rule, International Accounting Standard refers to the accounting standards issued by the International Accounting Standards Committee [predecessor of the IASB Board].</p> <p>Those rules may be downloaded here: http://www.sec.gov.bd/lbook/F-02_2015.pdf</p>
What is the jurisdiction's status of adoption?	Bangladesh has adopted IFRS Standards and the IFRS for SMEs Standard.
Additional comments provided on the adoption status?	IFRS Standards have been adopted as Bangladesh Financial Reporting Standards (BFRSs).
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.
If YES, are IFRS 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 companies whose securities are traded on the Dhaka Stock Exchange (DSE) and/or the Chittagong Stock Exchange (CSE) are required to follow IFRS Standards as adopted by the ICAB (ie BFRS). IFRS Standards adopted by the ICAB are IFRS Standards.
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?	IFRS Standards as adopted by the ICAB are required in the separate financial statements of companies whose securities trade in a public market.
For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	IFRS Standards as adopted by the ICAB are permitted in the financial statements of companies whose securities do not trade in a public market.

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

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.
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If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?	Required.
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Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
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IFRS ENDORSEMENT

Which IFRS Standards are required or permitted for domestic companies?	IFRS Standards as adopted by the Institute of Chartered Accountants of Bangladesh, which are IFRS Standards as issued by the IASB Board except for IAS 39.
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The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:	IFRS Standards as adopted by the Institute of Chartered Accountants of Bangladesh.
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Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS and the jurisdiction's GAAP)?	No.
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Are IFRS Standards incorporated into law or regulations?	Yes.
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If yes, how does that process work?	Rule 12 (2) of Bangladesh Securities and Exchange Rules, 1987 adopted by the Ministry of Finance state: "The financial statements of an issuer of a listed security shall be prepared in accordance with the requirements laid down in the Schedule and the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh. Explanation-In this sub-rule, International Accounting Standard refers to the accounting standards issued by the International Accounting Standards Committee [predecessor of the IASB]. Those rules may be downloaded here: http://www.sec.gov.bd/lbook/F-02_2015.pdf
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If no, how do IFRS Standards become a requirement in the jurisdiction?	Not applicable.
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Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place?	Yes.
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If yes, what is the process?	All new and amended IFRS Standards are reviewed by the Technical and Research Committee (TRC) of the ICAB and then approved by the Council of the Institute.
If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	Not applicable.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?	Yes.
If yes, what are the changes?	<p>Bangladesh has not adopted IAS 39 <i>Financial Instruments: Recognition and Measurement</i> in full. Rather, it has adopted the version of IAS 39 that was included in the 2010 Red Book bound volume of IFRS. The 2010 Red Book version of IAS 39 does not include requirements for financial assets because that part of IAS 39 has been replaced by IFRS 9 Financial Statements. However, Bangladesh has not adopted IFRS 9.</p> <p>Bangladesh has also modified the transitional provisions in several Interpretations, including IFRIC 4 <i>Determining whether an Arrangement contains a Lease</i> and IFRIC 12 <i>Service Concession Arrangements</i>.</p>
Other comments regarding the use of IFRS Standards in the jurisdiction?	IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i> has been adopted but does not become effective until 2015.

TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?	No. The English language IFRS 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 IFRS for SMEs Standard for at least some SMEs?	Yes. The ICAB adopted the IFRS for SMEs Standard as the Bangladesh Financial Reporting Standard (BFRS) for SMEs.
If no, is the adoption of the IFRS for SMEs Standard under consideration?	Not applicable.
Did the jurisdiction make any modifications to the IFRS for SMEs Standard?	The ICAB adopted the IFRS for SMEs Standard in its entirety as the BFRS for SMEs except that it did not include Section 31 <i>H</i> . The ICAB felt that Section 31 was not relevant to SMEs in Bangladesh because Bangladesh is not a hyperinflationary economy.
If the jurisdiction has made any modifications, what are those modifications?	See above.
Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so?	All.

For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	SMEs are permitted to use either IFRS Standards as adopted by the ICAB or the BFRS for SMEs Standard.
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Other comments regarding use of the IFRS for SMEs Standard?	None.
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