

## IFRS APPLICATION AROUND THE WORLD

### JURISDICTIONAL PROFILE: **Egypt**



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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	Ministry of Investment and International Cooperation (for private sector companies) and The Central Audit Organization (for public sector companies) Egyptian Society of Accountants & Auditors (ESAA) Egyptian Financial Supervisory Authority (EFSA)
Role of the organisation	The Ministry of Investment and International Cooperation has authority to issue accounting standards. Within the Ministry of Investment and International Cooperation, responsibility for developing accounting standards rests with the Egyptian Accounting Standards Committee. That committee functions under the Egyptian Financial Supervisory Authority, an arm of the Ministry of Investment and International Cooperation. The ESAA advises the Ministry in this regard.

Websites	Ministry of Investment and International Cooperation: <a href="http://www.miic.gov.eg/English/Pages/default.aspx">http://www.miic.gov.eg/English/Pages/default.aspx</a> ESAA: <a href="http://www.esaaegypt.com/">http://www.esaaegypt.com/</a> Egypt Financial Supervisory Authority: <a href="http://www.efsa.gov.eg/jtags/efsa_en/index_en.jsp">http://www.efsa.gov.eg/jtags/efsa_en/index_en.jsp</a>
Email contact	ESAA: <a href="mailto:egsocaa@esaaegypt.com">egsocaa@esaaegypt.com</a> Ministry of Investment and International Cooperation: <a href="mailto:info@gafinet.org">info@gafinet.org</a>

## 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?	No.
Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	No.
What is the jurisdiction's status of adoption?	Egypt has not adopted IFRS Standards.
Additional comments provided on the adoption status?	<p>By Decree No. 110/2015 of the Minister of Investment, Egypt adopted 39 Egyptian Accounting Standards (EAS) to replace the 35 former EAS that had been adopted in 2006 by Decree No. 243/2006. The 39 new EAS include many, but not all, of the principles in the IFRS Standards in the 2013 Bound Volume. The new EAS are effective 1 January 2016. There are <a href="#">differences</a> between EAS and IFRS Standards.</p> <p>Announcements of the new EAS are available <a href="#">here</a> (in English) and <a href="#">here</a> (in Arabic). The EAS are also available for <a href="#">download</a> (in Arabic).</p>
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?	No.
If YES, are IFRS Standards REQUIRED or PERMITTED?	Not applicable.

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	Not applicable.
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Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Not applicable.
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For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	Not applicable.
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For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	Not applicable.
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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?	No.
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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. Foreign companies can be listed on The Egyptian Exchange after getting approval from Egyptian Financial Supervisory Authority (EFSA).
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If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?	Permitted.
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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?	Not applicable.
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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:	Egyptian Accounting Standards.
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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)?	Not applicable.
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Are IFRS Standards incorporated into law or regulations?	Not applicable.
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If yes, how does that process work?	Not applicable.
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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?	Not applicable.
If yes, what is the process?	Not applicable.
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?	Egyptian Accounting Standards (EAS) are national standards based on the 2013 Bound Volume of IFRS Standards. They are not translations of IFRS Standards.
If yes, what are the changes?	EAS reflect a number of significant differences of principle with IFRS Standards, including accounting for leases, reporting of certain foreign exchange differences in other comprehensive income rather than profit or loss, and treatment of share-based payments as a direct charge against equity rather than as an expense.
Other comments regarding the use of IFRS Standards in the jurisdiction?	None.

## TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?	The IFRS Foundation coordinates the publication of an annual bound volume of IFRS Standards in Arabic.
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?	The translation follows the official IFRS Foundation translation process.

## APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the <i>IFRS for SMEs</i> Standard for at least some SMEs?	No.
If no, is the adoption of the <i>IFRS for SMEs</i> Standard under consideration?	The new Egyptian Accounting Standards that are effective 1 January 2016 include special requirements for small and medium-sized entities. The <i>IFRS for SMEs</i> Standard is not under consideration.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Standard?	Not applicable.
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?	Not applicable.

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For those SMEs that are not required to use the <i>IFRS for SMEs</i> Standard, what other accounting framework do they use?	<a href="#">Egyptian Accounting Standards</a> (EAS), which include special requirements for SMEs.
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Other comments regarding use of the <i>IFRS for SMEs</i> Standard?	None.
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