

## IFRS APPLICATION AROUND THE WORLD

### JURISDICTIONAL PROFILE: **Eswatini**



**Disclaimer:** The information in this Profile is for general guidance only and may change from time to time. You should not act on the information in this Profile, and you should obtain specific professional advice to help you in making any decisions or in taking any action. If you believe that the information has changed or is incorrect, please contact us at [ifrsapplication@ifrs.org](mailto:ifrsapplication@ifrs.org).

This Profile provides information about the application of IFRS Standards in Eswatini (this jurisdiction was formerly called 'Swaziland'\*). IFRS Standards are developed and issued in the public interest by the International Accounting Standards Board (the Board). The Board is the standard-setting body of the IFRS® Foundation, an independent, private sector, not-for-profit organisation.

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.

The purpose of the IFRS Foundation's Jurisdictional Profiles is to illustrate the extent of implementation of IFRS Standards across the globe only. The Profiles do not reflect the intellectual property licensing status of IFRS Standards within any given jurisdiction. The IFRS Standards are protected by copyright and are subject to different licensing arrangements according to jurisdiction. For further information, please contact [Licences@ifrs.org](mailto:Licences@ifrs.org).

Profile last updated: 16 June 2016

\*(Note: In April 2018 Swaziland changed its name to 'Eswatini').

#### RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Eswatini Institute of Accountants (EIA).
Role of the organisation	The EIA was created by the Accountants Act 1985 to be the national professional accountancy body in Eswatini. While the Act does not expressly authorise the EIA to set accounting and auditing standards, the EIA has assumed this role as the professional accountancy body in the country.
Website	<a href="http://www.sia.org.sz/">http://www.sia.org.sz/</a>
Email contact	<a href="mailto:sia@realnet.co.sz">sia@realnet.co.sz</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?	<p>Yes.</p> <p>The <a href="#">Companies Act 2009</a> (<a href="#">alternate link</a>) states that, for all companies, “the annual financial statements of a company shall be in conformity with Swaziland and International Financial Reporting Standards”.</p> <p>The World Bank’s <a href="#">November 2012 ROSC Report on Swaziland</a> (renamed ‘Eswatini’ in 2018) reaffirms the requirement to comply with IFRS Standards.</p> <p>The Eswatini Institute of Accountants’ <a href="#">five-year strategic plan</a>, adopted in 2012, states that adoption of IFRS Standards is a strategic goal of the EIA. The strategic plan states that the Institute should:</p> <ul style="list-style-type: none"> <li>• “Develop a plan for the adoption of IFRS....”</li> <li>• “Put mechanisms in place to monitor and enforcement of compliance (or to deal with non-compliance)”.</li> </ul>
Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	<p>Yes.</p> <p>See above.</p>
What is the jurisdiction's status of adoption?	Eswatini has adopted IFRS Standards and the <i>IFRS for SMEs</i> Standard.
Additional comments provided on the adoption status?	<p>Chapter XI Section 247 of the <a href="#">Companies Act 2009</a> requires application of IFRS Standards. Further, the EIA has approved the adoption of IFRS Standards and the <i>IFRS for SMEs</i> Standard, as well as International Standards on Auditing.</p> <p>As noted <a href="#">above</a>, the World Bank’s November 2012 ROSC Report on Swaziland (renamed ‘Eswatini’ in 2018) states: “The Companies Act 2009 requires financial statements to comply with IFRS and ‘Swaziland Financial Reporting Standards’ (although these standards do not exist) and be in accordance with the provisions of Schedule 3 of the Companies Act. Thus, companies are required to identify any gaps between the IFRS and Companies Act disclosure requirements and report on both in the auditor’s report — an onerous requirement. The requirement for all companies, except the exempt private companies, to apply IFRS is difficult and costly for small and medium-size companies. Some legislation and regulations refer to non-existent accounting standards (eg generally recognized accounting practice).”</p> <p>The ROSC Report goes on to say: “The Companies Act allows any private company to elect to dispense from presenting annual financial statements and reports before a general meeting in the current and subsequent years. This is a significant weakness in the financial reporting statutory framework as some of the private companies may be a public interest enterprise, which should be required to present financial statements before the annual general meeting for the benefit of stakeholders.”</p> <p>Although Section 247 of the Companies Act 2009 requires application of IFRS Standards, the jurisdiction acknowledges that IFRS Standards are often not followed, and there are no sanctions for companies not applying IFRS Standards.</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?

Yes.

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?

Not applicable.

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.

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?

The Companies Act requires IFRS Standards for the following classes of companies even if their securities do not trade in a public market:

- Public companies
- Public enterprises
- Banking institutions
- Non-banking financial institutions
- Insurance companies
- Retirement funds

Under the Act, other classes of companies whose securities do not trade in a public market may elect not to publish financial statements. If they do publish financial statements, the Companies Act permits IFRS Standards. Alternatively, the EIA approved compliance with the *IFRS for SMEs* Standard effective in 2010.

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.

### ***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.

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 issued by the Board.

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)? Yes.

Are IFRS Standards incorporated into law or regulations? Yes.

If yes, how does that process work? See the Commitment to Global Financial Reporting Standards Section [above](#).

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.

If yes, what is the process? Not applicable.

If no, how do new or amended IFRS Standards become a requirement in the jurisdiction? The law refers to IFRS Standards. Thus, new or amended IFRS Standards automatically are adopted.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards? 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. English is one of the two official languages of Eswatini.

---

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?	No.
--	-----

---

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?	Under the Companies Act 2009, SMEs may elect not to publish financial statements. If they do publish financial statements, the Act permits IFRS Standards. Alternatively, the EIA has approved compliance with the <i>IFRS for SMEs</i> Standard (effective in 2010).
--	---

---

For those SMEs that are not required to use the <i>IFRS for SMEs</i> Standard, what other accounting framework do they use?	National standards (when developed) or full IFRS Standards.
---	---

---

Other comments regarding use of the <i>IFRS for SMEs</i> Standard?	None.
--	-------

---