

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Kuwait**



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This Profile provides information about the application of IFRS Standards in Kuwait. 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.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Kuwait Ministry of Commerce and Industry Kuwait Association of Accountants and Auditors (KAAA)
Role of the organisation	The authority to set accounting standards for the State of Kuwait rests with the Ministry of Commerce and Industry. In this regard the Ministry consults with the Kuwait Association of Accountants and Auditors, which is the national professional accountancy body.
Website	Ministry: http://www.moci.gov.kw/ KAAA: http://www.kwaaa.org/
Email contact	rabea.almuhanna@crowehorwath.com.kw

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. Ministerial Decree No. (18) for the Year 1990 issued by the Ministry of Commerce and Industry instructing Companies and Institutions to follow International Accounting Standards in the preparation of their financial statements; an amendment to the Decree was made through Decree No. (101) for the year 2008 (which basically introduces the term 'as applicable' to ensure due consideration of other relevant laws).
Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	Yes. See above.
What is the jurisdiction's status of adoption?	Kuwait has adopted IFRS.
Additional comments provided on the adoption status?	The Ministerial Decrees referred to above require all companies that fall under the purview of the Kuwait Commercial Companies Law and other institutions to use IFRS Standards in the preparation of financial statements, not only publicly traded companies.
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?	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?	The Ministerial Decrees referred to above require all companies (that fall under the purview of the Kuwait Commercial Companies Law) and institutions, to use IFRS Standards in the preparation of financial statements, not only publicly traded companies.

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	The Ministerial Decrees referred to above require all companies (that fall under the purview of the Kuwait Commercial Companies Law) and institutions, to use IFRS Standards in the preparation of financial statements, not only publicly traded companies.
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If the jurisdiction currently does NOT require or permit the use of IFRS 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?	Securities of foreign companies are not publicly traded in Kuwait.
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If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?	Not applicable.
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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?	Not applicable.
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IFRS ENDORSEMENT

Which IFRS Standards are required or permitted for domestic companies?	IFRS Standards as issued by the IASB.
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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.
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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)?	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?	IFRS Standards are incorporated into law through the Ministerial Decrees referred to above .
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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	Endorsement of IFRS Standards was done through the Ministerial Decrees referred to above .
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If yes, what is the process?	See above.
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If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	The Ministerial Decrees referred to above apply to new and amended IFRS Standards as well as those issued at the time of those decrees.
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Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?	No.
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If yes, what are the changes?	Not applicable.
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Other comments regarding the use of IFRS Standards in the jurisdiction?	None.
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TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?	Yes. The IFRS Foundation coordinates the publication of an annual bound volume of IFRS Standards in Arabic.
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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?	Yes.
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APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the <i>IFRS for SMEs</i> Standard for at least some SMEs?	No.
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If no, is the adoption of the <i>IFRS for SMEs</i> Standard under consideration?	No.
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Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Standard?	Not applicable.
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If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
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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?	The Ministerial Decrees referred to above require all companies that fall under the purview of the Kuwait Commercial Companies Law and other institutions to use IFRS Standards in the preparation of financial statements, not only publicly traded companies.
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Other comments regarding use of the <i>IFRS for SMEs</i> Standard?	None.
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