
Iceland

Local stock exchange

Nasdaq OMX

<http://www.nasdaqomxnordic.com/>

Rules for listed filings

IFRS required or permitted for listed companies?

Required for consolidated and standalone/separate financial statements

Version of IFRS

IFRS as adopted by the EU

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

Yes. IFRS is required for some and permitted for others. Foreign companies whose securities trade in a regulated market in Iceland (and generally in the EU and EEA) are required to report under IFRS as adopted by the EU for their consolidated financial statements unless the European Commission has deemed their local accounting standards to be equivalent to IFRS, in which case they may use their local standards

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

All financial statements must be prepared in accordance with Icelandic GAAP or IFRS.

IFRS as adopted by the EU are required in the separate financial statements of all companies whose securities trade in a regulated market.

IFRS as adopted by the EU are required in the separate financial statements of a company whose securities do not trade in a regulated market if that company is part of a consolidated group that uses IFRS.

IFRS as adopted by the EU are permitted in both the consolidated and separate financial statements of large and medium-sized companies, as defined in Icelandic regulations, whose securities do not trade in a regulated market, and pension funds above a specified size.

IFRS for SMEs is prohibited. If the SME is part of a consolidated group that uses IFRS, then it is required to use IFRS in its separate financial statements. If the SME is large or medium-sized, IFRS as adopted by the EU are permitted in both its consolidated and its separate financial statements. Otherwise the SME follows Icelandic statutory accounting requirements.

Version of IFRS

IFRS as adopted by the EU

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

Yes. IFRS as adopted by the EU are required in the financial statements of all non-publicly traded mutual funds and collective investment schemes.

IFRS conversion plans

Plans for converging

The local standard setting body has not announced any adoption or conversion plans to IFRS for SMEs.

Other expected changes

While there are no formal conversion plans, local GAAP has been moving towards IFRS.

Other useful websites

Ríkisskattstjóri (Directorate of Internal Revenue)

<http://www.rsk.is/fyrirtaekjaskra/>

Tax information

Type of tax regime

Quasi-dependent. Taxable profit is principally based on the legal entity statutory accounts, with a number of adjustments provided in the tax law.

Comments on tax regime

IFRS adoption adjustments are taken into taxable income in the year of adoption.

Plans for IFRS converging as the basis of tax reporting

The local tax authorities have not announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SMEs.