

## IFRS APPLICATION AROUND THE WORLD

### JURISDICTIONAL PROFILE: **Iraq**



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This Profile provides information about the application of IFRS Standards in Iraq. 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	Iraqi Union of Accountants and Auditors (IUAA)
Role of the organisation	The IUAA is the professional accountancy body in Iraq.
Website	<a href="https://www.ifac.org/about-ifac/membership/members/iraqi-union-accountants-and-auditors">https://www.ifac.org/about-ifac/membership/members/iraqi-union-accountants-and-auditors</a>
Email contact	<a href="mailto:rafidalnawas@iccg.com">rafidalnawas@iccg.com</a> <a href="mailto:iraq_mhasben_nk@yahoo.com">iraq_mhasben_nk@yahoo.com</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?	Yes. Iraq's commitment to a single set of global accounting standards is evident from Iraqi Company Law (Number 21, year 1997, phase 133), which requires all companies to apply IFRS Standards.
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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?	Iraq has adopted IFRS Standards.
Additional comments provided on the adoption status?	<p>The IUAA furthers adoption and implementation of IFRS Standards through supporting education and training on those standards. This is primarily achieved through the IUAA's adoption and operation of the International Financial Reporting Standards Expert (IFRSE) training and certification programme. The IFRSE training is a 11 day (66 hours) course designed for Certified Accountants, financial managers, and expert accountants who are interested in becoming up to date with the application of IFRS Standards and/or attaining IFRSE certification. The course is designed to ensure that all attendees receive practical guidance in applying IFRS Standards.</p> <p>The IUAA has also adopted an Action Plan to implement IFAC Statement of Member Obligation 7 (SMO 7): International Financial Reporting Standards (IFRSs). See: <a href="https://www.ifac.org/publications-resources/statements-membership-obligations-smos-1-7-revised">https://www.ifac.org/publications-resources/statements-membership-obligations-smos-1-7-revised</a></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?	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?	Yes, required.

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	<p>Yes. Full IFRS Standards must be used by companies whose securities are publicly traded and also by:</p> <ul style="list-style-type: none"> <li>• private banks;</li> <li>• private shared companies; and</li> <li>• consultancy companies.</li> </ul> <p>Other companies whose securities are not publicly traded must use either full IFRS Standards or the IFRS for SMEs Standard.</p>
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:***

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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 IASB.
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)?	No.
Are IFRS Standards incorporated into law or regulations?	Yes.
If yes, how does that process work?	Iraqi Company Law (Number 21, year 1997, phase 133) requires all companies to apply IFRS Standards.
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?	Iraqi Company Law (Number 21, year 1997, phase 133) requires all companies to apply IFRS Standards. This applies to all new and amended IFRS Standards as well as IFRS Standards in force when the law was 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?	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 IFRS for SMEs Standard for at least some SMEs?	Yes.
If no, is the adoption of the IFRS for SMEs Standard under consideration?	No.
Did the jurisdiction make any modifications to the IFRS for SMEs Standard?	No.
If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so?	As noted earlier, private banks, private shared companies, and consultancy companies must use full IFRS Standards. Other SMEs (simple companies and individual projects) are permitted to use the IFRS for SMEs Standard.
For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	Those SMEs that do not use the IFRS for SMEs Standard are required to use full IFRS Standards.
Other comments regarding use of the IFRS for SMEs Standards?	None.