



JURISDICTIONAL PROFILE: **Yemen**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Yemen. The Standards are developed and issued in the public interest by the International Accounting Standards Board (IASB). The IASB is the standard-setting body of the IFRS Foundation (Foundation), an independent, private sector, not-for-profit organisation.

The Foundation has prepared this Profile based on information from various sources. The starting point was the answers provided by standard-setting and other bodies in response to surveys the Foundation conducted on the application of the Standards around the world. The Foundation drafted the profile and invited the respondents to the survey. The Foundation also invited others (including regulators and international audit firms) to review the drafts. Their comments are reflected in this Profile.

The purpose of the Foundation’s Jurisdictional Profiles is to illustrate only the extent of implementation of the Standards across the globe. The Profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact permissions@ifrs.org.

Profile last updated: 20 February 2020

RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Yemeni Association of Certified Public Accountants (YACPA)
Role of the organisation	<p>YACPA is the recognised association representing the accounting profession in Yemen. YACPA advises the Yemeni government on accounting and auditing standards.</p> <p>The Audit and Review of Accounts Law No. 26 of 1999 regulates the audit and accounting profession in Yemen. The Ministry of Industry and Trade has assumed a regulatory role under this law via the Public Accountants Permit Committee (YACPA has 2 out of the 6 members required by law on this committee).</p> <p>The Council of Ministers in its resolution No. 5 of 2019, based on the letter written by the Minister of Industry and Trade, approved the official adoption and implementation of:</p> <p>(a) IFRS Standards as issued by the International Accounting Standards Board; and</p>

- (b) *IFRS for SMEs* Standard as issued by the International Accounting Standards Board.

The Ministry of Industry and Trade will form the "Committee of Adopting and Implementing the International Standards (CAIIS)", as indicated in this resolution, which will be headed by the Undersecretary of the Business Services Sector. The members of the CAIIS will represent the relevant stakeholders.

The CAIIS will follow up on the adoption and implementation of all adopted standards, identify small and medium-sized enterprises and which of these are ready to apply the *IFRS for SMEs* Standard, and set the implementation start date.

Website	www.yacpa.org/ar/
Email contact	yemenacpa@gmail.com info@yacpa.com

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.
Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?	Yes. As noted above, the Council of Ministers in its resolution No. 5 of 2019 approved adoption and implementation of IFRS Standards in the Republic of Yemen starting 1 January 2020. Regulations issued by the Central Bank of Yemen and the Yemeni Tax Authority require IFRS Standards for companies regulated under their jurisdiction.
What is the jurisdiction's status of adoption?	IFRS Standards are applied by the following entities: (a) Entities subject to public accountability represented by commercial banks, specialised banks and companies operating in the financial institutions sector and others that are required to submit their reports and financial statements to the Central Bank of Yemen; (b) All types of companies and commercial, industrial and service entities (classified as major taxpayers) that are required to submit their reports and financial statements to the Ministry of Industry and Trade and the Tax Authority; (c) Entities that are not subject to public accountability and would like to voluntarily adopt IFRS Standards.
Additional comments provided on the adoption status?	The Central Bank requires all banking institutions to use IFRS Standards in their published financial statements. Article 107 of the Tax By-Laws requires all companies classified as large and medium-sized to prepare financial statements using IFRS Standards.
If the jurisdiction has NOT made a public statement supporting the move towards a	Not applicable.

single set of accounting standards and/or towards IFRS Accounting Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Accounting Standards in the jurisdiction.

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 Accounting Standards in their consolidated financial statements? There is no stock exchange in Yemen. However, under the Commercial Companies Law, companies are permitted to sell shares to the public. Those public companies are required to prepare financial statements using IFRS Standards.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED? IFRS Standards as issued by the Board are 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 Accounting 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 Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market? IFRS Standards are required in the separate financial statements of a company that has sold shares to the public.

For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market? The Central Bank requires all banking institutions to use IFRS Standards in their published financial statements. Further, Article 107 of the Tax By-Laws requires all companies classified as large and medium-sized to prepare financial statements using IFRS Standards. All other companies may use full IFRS Standards or they may use the *IFRS for SMEs* Standard.

If the jurisdiction currently does NOT require or permit the use of IFRS Accounting Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Accounting 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 Accounting Standards in their consolidated financial statements? There is no stock exchange in Yemen.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases? Not applicable.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones? Not applicable.

IFRS ENDORSEMENT

Which IFRS Accounting 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 footnote 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 Accounting Standards and the jurisdiction's GAAP)? No.

Are IFRS Accounting Standards incorporated into law or regulations? Yes.

If yes, how does that process work? IFRS Standards are incorporated into the Council of Ministers resolution, the Ministry of Industry and Trade letter to the Minister's Council (the Public Accountants Permit Committee resolution), the Tax By-Laws and other regulations. See above.

If no, how do IFRS Accounting 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 Accounting Standards (including Interpretations) in place? No.

If yes, what is the process? Not applicable.

If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction? See the 'Relevant Jurisdictional Authority' section of this profile above.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards? No.

If yes, what are the changes? Not applicable.

Other comments regarding the use of IFRS Accounting Standards in the jurisdiction? None.

TRANSLATION OF IFRS ACCOUNTING STANDARDS

Are IFRS Accounting Standards translated into the local language? Yes. The IFRS Foundation coordinates the annual publication of the official Arabic translation of IFRS Standards (part A only).

If they are translated, what is the translation process? In particular, does this process The translation follows the official IFRS Foundation translation process.

ensure an ongoing translation of the latest updates to IFRS Accounting Standards?

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the *IFRS for SMEs* Accounting Standard for at least some SMEs?

Yes.

If no, is the adoption of the *IFRS for SMEs* Accounting Standard under consideration?

Not applicable.

Did the jurisdiction make any modifications to the *IFRS for SMEs* Accounting Standard?

No.

If the jurisdiction has made any modifications, what are those modifications?

Not applicable.

Which SMEs use the *IFRS for SMEs* Accounting Standard in the jurisdiction, and are they required or permitted to do so?

All SMEs are permitted to use the *IFRS for SMEs* Standard.
See the 'Relevant Jurisdictional Authority' section of this profile above.

For those SMEs that are not required to use the *IFRS for SMEs* Accounting Standard, what other accounting framework do they use?

SMEs may use either the *IFRS for SMEs* Standard or full IFRS Standards.

Other comments regarding use of the *IFRS for SMEs* Accounting Standard?

Survey respondent stated: 'The majority of entities in Yemen are family-oriented and are either medium or small entities, and therefore use of the *IFRS for SMEs* Standard is considered more appropriate and relevant to the Yemeni environment.'