

IFRS® STANDARDS—APPLICATION AROUND THE WORLD



JURISDICTIONAL PROFILE: **Poland**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Poland. 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.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Ministry of Finance
Role of the organisation	<p>The Ministry of Finance is a regulator responsible for drafting and setting the accounting law.</p> <p>Within the Ministry of Finance there is the Polish Accounting Standards Committee (KSR). The KSR is an independent body whose members are appointed by the Minister of Finance. KSR acts with the administrative support provided by the Ministry of Finance and plays an important role in the Polish cooperation at the international level in the area of accounting.</p> <p>KSR issues national accounting standards that are supplementary guidance to the basic binding law which is the Accounting Act.</p> <p>The two national professional organisations -- the National Board of Chartered Accountants Association in Poland and the National Chamber of Statutory Auditors – do not have a direct role in setting accounting standards in Poland. However, they do propose their representatives to serve on the KSR.</p>

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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.

Refer to the IAS Regulation adopted by the European Union in 2002.

Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?

Yes.

Refer to the IAS Regulation adopted by the European Union in 2002.

What is the jurisdiction's status of adoption?

Poland has already adopted IFRS Standards for the consolidated financial statements of all companies whose securities trade in a regulated market and banks regardless of whether their securities trade in a regulated market. Poland also permits the use of IFRS Standards for consolidated financial statements and separate financial statements of certain companies (see detailed information below).

Additional comments provided on the adoption status?

As a member state of the European Union, Poland is subject to the IAS Regulation adopted by the European Union in 2002.

The EU IAS Regulation requires application of IFRS Standards as adopted by the EU for the consolidated financial statements of European companies whose securities trade in a regulated securities market starting in 2005. The EU IAS Regulation gives member states the option to require or permit IFRS Standards as adopted by the EU in separate company financial statements (statutory accounts) and/or in the financial statements of companies whose securities do not trade on a regulated securities market. See the Profile for the European Union for more detailed information about the EU IAS Regulation.

The following are the regulated markets in Poland:

- Warsaw Stock Exchange/Commodities/Polish Power Exchange/Commodity Derivatives
- Bondspot Securities Market
- Warsaw Stock Exchange/Bonds/Catalyst/Main Market
- Warsaw Stock Exchange/Financial Derivatives
- Warsaw Stock Exchange/ETPS
- Warsaw Stock Exchange/Equities/Main Market

Poland used the option under the IAS Regulation as follows:

Companies whose securities trade in a regulated market

- Permit IFRS Standards as adopted by the EU in the separate company financial statements of a company whose securities trade in a regulated market.

Companies whose securities do not trade in a regulated market

- Require IFRS Standards as adopted by the EU for the consolidated financial statements of banks whose securities do not trade in a regulated market.
- Permit IFRS Standards as adopted by the EU for both the consolidated and separate company financial statements of the following categories of companies whose securities do not trade in a regulated market:
 - A company that has filed for admission for public trading.
 - A subsidiary of a company that prepares consolidated financial statements in conformity with IFRS Standards as adopted by the EU.

If the jurisdiction has NOT made a public statement supporting the move towards a 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.

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 Accounting Standards in their consolidated financial statements?

Yes.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?

In accordance with the EU Accounting Regulation, IFRS Standards as adopted by the EU are required for the consolidated financial statements of all European companies whose debt or equity securities trade in a regulated market in Poland (and generally in the EU).

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 as adopted by the EU are permitted in the separate company financial statements of a company whose securities trade in a regulated market.

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

IFRS Standards as adopted by the EU are required for the consolidated financial statements of banks whose securities do not trade in a regulated market.

IFRS Standards as adopted by the EU are required for both the consolidated and separate company financial statements of the following categories of companies whose securities do not trade in a regulated market:

- A company that has filed for admission for public trading.

- A subsidiary of a company that prepares consolidated financial statements in conformity with IFRS Standards as adopted by the EU.

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?

Yes.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?

Required for some and permitted for others. Foreign companies (incorporated in countries outside the EU) whose securities trade in a regulated market in Poland (and generally in the EU) are required to report under IFRS Standards 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 Standards, in which case they may use their local standards.

This is laid out on the 'Financial Reporting' page of the European Commission's website.

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 Accounting Standards are required or permitted for domestic companies?

IFRS Standards as adopted by the European Union, which are IFRS Standards as issued by the Board with some limited modifications such as the temporary 'carve-out' from IAS 39. However, the resulting financial statements of the majority of companies can still be in full compliance with IFRS Standards.

The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:

IFRS Standards as adopted by the European Union.

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?

The process is described in the Profile of the European Union.

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?	Yes.
If yes, what is the process?	The process is described in the Profile of the European Union.
If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?	Not applicable.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards?	Yes.
If yes, what are the changes?	Details are in the Profile of the European Union.
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 European Union has 24 official and working languages. They are: Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovene, Spanish and Swedish. Before they are published in the <i>Official Journal of the European Union</i> , and therefore become binding under EU law, individual IFRS Standard must be translated into all of those languages (other than English and Irish).
If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Accounting Standards?	Pursuant to a copyright waiver agreement with the Directorate-General for Translation of the European Commission, the Commission takes care of the translation into the official languages according to their own translation process. The translation covers only the standards and mandatory guidance, which is then published in the <i>Official Journal of the European Union</i> . In addition, some countries (usually the standard setter or institute) have a translation contract with the IFRS Foundation to produce an 'official translation' for publication of a bound volume of IFRS Standards (usually the 'Red Book') and publication, in some cases, of individual standards and exposure drafts. In the case of Poland, the contract is between the Association of Accountants in Poland and the IFRS Foundation.

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the <i>IFRS for SMEs</i> Accounting Standard for at least some SMEs?	No.
If no, is the adoption of the <i>IFRS for SMEs</i> Accounting Standard under consideration?	No.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Accounting Standard?	Not applicable.

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?

Not applicable.

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

The basic accounting framework is the Accounting Act supplemented by guidance in the form of national accounting standards adopted by the Polish Accounting Standards Committee (KSR) pursuant to the Accounting Act. Currently there are seven such national accounting standards covering such areas as the cash flow statement; income tax; construction contracts; impairment of assets; leases; provisions and contingent liabilities; and changes of accounting policies, correction of errors, changes in estimates, and events after balance sheet date.

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

None.