



JURISDICTIONAL PROFILE: **Egypt**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Egypt. 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	<p>Ministry of Investment and International Cooperation (for private sector companies) and The Central Audit Organization (for public sector companies)</p> <p>Egyptian Society of Accountants & Auditors (ESAA)</p> <p>Egyptian Financial Supervisory Authority (EFSA)</p>
Role of the organisation	<p>The Ministry of Investment and International Cooperation has authority to issue accounting standards. Within the Ministry of Investment, responsibility for developing accounting standards rests with the Egyptian Accounting Standards Committee. That committee functions under the Egyptian Financial Supervisory Authority, an arm of the Ministry of Investment and International Cooperation. The ESAA advises the Ministry in this regard.</p>
Website	<p>Ministry of Investment and International Cooperation: http://www.miic.gov.eg/English/Pages/default.aspx</p> <p>ESAA: http://www.esaaegypt.com/</p>

Egypt Financial Supervisory Authority: http://www.efsa.gov.eg/jtags/efsa_en/index_en.jsp

Email contact

ESAA: egsocaa@esaaegypt.com

Ministry of Investment: info@gafinet.org

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?

No.

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

No.

What is the jurisdiction's status of adoption?

Egypt has not adopted IFRS Standards.

Additional comments provided on the adoption status?

By Decree No. 110/2015 of the Minister of Investment, Egypt adopted 39 Egyptian Accounting Standards (EAS) to replace the 35 former EAS that had been adopted in 2006 by Decree No. 243/2006. The 39 new EAS include many, but not all, of the principles in the IFRS Standards in the 2013 Bound Volume. The new EAS are effective 1 January 2016. There are differences between EAS and IFRS Standards.

Announcements of the new EAS are [here](#) (in English) , and [here](#) (in Arabic) . The EAS are also available for download [here](#) (in Arabic).

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?

No.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?

Not applicable.

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?

Not applicable.

Are IFRS Accounting Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?

Not applicable.

For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

Not applicable.

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

Not applicable.

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?

No.

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. Foreign companies can be listed on The Egyptian Exchange after getting approval from Egyptian Financial Supervisory Authority (EFSA).

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

Permitted.

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?

Not applicable.

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

Egyptian Accounting 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)?

Not applicable.

Are IFRS Accounting Standards incorporated into law or regulations?

Not applicable.

If yes, how does that process work?

Not applicable.

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?	Not applicable.
If yes, what is the process?	Not applicable.
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?	Egyptian Accounting Standards (EAS) are national standards based on the 2013 Bound Volume of IFRS Standards. They are not translations of IFRS Standards.
If yes, what are the changes?	EAS reflect a number of significant differences of principle with IFRS Standards, including accounting for leases, reporting of certain foreign exchange differences in other comprehensive income rather than profit or loss, and treatment of share-based payments as a direct charge against equity rather than as an expense.
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?	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 Accounting Standards?	The translation follows the official IFRS Foundation translation process.

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?	The new Egyptian Accounting Standards that are effective 1 January 2016 include special requirements for small and medium-sized entities. The <i>IFRS for SMEs</i> Standard is not under consideration.
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 <i>IFRS for SMEs</i> 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?

Egyptian Accounting Standards (EAS), which include special requirements for SMEs.

Other comments regarding use of the *IFRS for SMEs* Accounting Standard? None.