



## IFRS APPLICATION AROUND THE WORLD

### JURISDICTIONAL PROFILE: **Zimbabwe**



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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	Public Accountants and Auditors Board (PAAB)
Role of the organisation	The PAAB was created by the Public Accountants and Auditors Act Cap.27.12 effective in 1996. The PAAB is the statutory regulatory and oversight body for the accountancy profession in Zimbabwe. Through its technical committee, the Zimbabwe Accounting Practices Board (ZAPB), it is the official national standard-setting body with statutory recognition under the laws of Zimbabwe. The PAAB attained statutory recognition as the national standard-setting body for both accounting and auditing in 1993.
Website	<a href="https://www.zimyellowpage.com/listings/business-professional-services/public-accountants-and-auditors-board-paab">https://www.zimyellowpage.com/listings/business-professional-services/public-accountants-and-auditors-board-paab</a>
Email contact	<a href="mailto:admin@paab.org.zw">admin@paab.org.zw</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.
Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	Yes.
What is the jurisdiction's status of adoption?	Zimbabwe has already adopted IFRS Standards for all or some companies.
Additional comments provided on the adoption status?	<p>IFRS Standards (then called IAS Standards) were formally adopted for use in Zimbabwe in 1993 and were legally operationalised in 1996 with the publication of Statutory Instrument 62 of 1996.</p> <p>To incorporate amendments to existing IFRS Standards and adopt new IFRS Standards, the reporting regulations are updated by statutory instruments issued by the Minister of Justice, Legal and Parliamentary Affairs from time to time.</p> <p>The ZAPB states that 'of late we have realised that the process is cumbersome, and we have proposed that the law be amended to give immediate legal backing to any International Financial Reporting Standards that would have been adopted for use in Zimbabwe by ZAPB'.</p> <p>There is no separate local GAAP in Zimbabwe.</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.
For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	Yes. All registered companies under the Companies act are required to use IFRS Standards (including the IFRS for SMEs Standard), and the standards are referred to as IFRS Standards and the IFRS for SMEs Standard.
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.
<b><i>For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:</i></b>	
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.
<b>IFRS ENDORSEMENT</b>	
Which IFRS Standards are required or permitted for domestic companies?	IFRS Standards as issued by the IASB Board. However, amendments and new IFRS Standards are sometimes not formally adopted on a timely basis. Nonetheless, new or amended IFRS Standards are normally followed in practice even without formal adoption.  The ZAPB notes that 'of late we have realised that the process is cumbersome, and we have proposed that the law be amended to give immediate legal backing to any international financial reporting standards that would have been adopted for use in Zimbabwe by ZAPB'.
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?	In 1993, on the initiative of the Law Development Commission, subsection 360(2) of the Companies Act Chapter 24:03 was amended to read: '(2) When making regulations for the purpose of subsection (2) of section one hundred and forty two, the Minister shall have regard to such international accounting standards as may have been adopted by the Zimbabwe Accounting Practices Board.' International accounting standards (IFRS) were formally adopted for use in Zimbabwe in 1993 and were legally operationalised in 1996 with the publication of Statutory Instrument 62 of 1996.
If no, how do IFRS 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?	As noted above, IFRS Standards were adopted under law in 1993.
If yes, what is the process?	To update the reporting standards in line when the IASB Board issues a new or amended IFRS Standard, the reporting regulations are updated via the medium of a statutory instrument issued by the Minister.  The ZAPB states that 'of late we have realised that the process is cumbersome, and we have proposed that the law be amended to give immediate legal backing to any international financial reporting standards that would have been adopted for use in Zimbabwe by ZAPB'.
If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	Not applicable.

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?	No. English is the official business language.
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?	Not applicable.

## APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs?	Yes, the IFRS for SMEs Standard has been adopted in Zimbabwe.
If no, is the adoption of the IFRS for SMEs Standard under consideration?	Not applicable.

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?	All.
For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	SMEs may also choose full IFRS Standards.
Other comments regarding use of the IFRS for SMEs Standard?	<p>The IFRS for SMEs Standard was formally adopted for use in Zimbabwe with effect from 1 January 2011. However, according to the PAAB, to date the uptake has been low. The PAAB has run awareness programmes, including having all universities that offer accountancy degrees to have courses on the IFRS for SMEs Standard.</p> <p>The PAAB has also delivered a workshop for university lecturers on implementing IFRS for SMEs Standard. PAAB states that 'whilst the IFRS for SMEs is a welcome development, we still feel that there are some micro entities, who still find the IFRS for SMEs as complex. We propose that a reporting framework for very small/micro entities be developed.'</p>