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This Profile provides information about the application of IFRS Standards in Yemen. 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 a survey that the Foundation conducted on the application of IFRS Standards around the world between August and December 2012. 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.

The purpose of the IFRS Foundation’s Jurisdictional Profiles is to illustrate the extent of implementation of IFRS Standards across the globe only. The Profiles do not reflect the intellectual property licensing status of IFRS Standards within any given jurisdiction. The IFRS Standards are protected by copyright and are subject to different licensing arrangements according to jurisdiction. For further information, please contact Licences@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> <ul style="list-style-type: none">(a)(b) <i>IFRS for SMEs</i>

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

The CAIS 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 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) (b) (c)
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 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?	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 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 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?	IFRS Standards are required in the separate financial statements of a company that has sold shares to the public.
For instance, are IFRS 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 <i>IFRS for SMEs</i> 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.
<i>For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:</i>	
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?	There is no stock exchange in Yemen.
If YES, are IFRS 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 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 Standards and the jurisdiction's GAAP)?	No.
Are IFRS 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 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?	See the 'Relevant Jurisdictional Authority' section of this profile above.
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?	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 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?	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 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 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 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.'