

**Application of IFRS Standards in AOSSG 27-member jurisdictions – July 2020<sup>1</sup>**

Jurisdiction	Domestic Listed Companies						
	Being converged with IFRSs	Fully converged with IFRSs	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for Most	IFRSs Required for All	Audit Report States Compliance with IFRSs
Australia						X	Yes
Bangladesh						X <sup>Note1</sup>	Yes
Brunei			X	X <sup>Note2</sup>			
Cambodia						X <sup>Note3</sup>	
China		X <sup>Note4</sup>					
Dubai Int. Fin. Centre						X	Yes
Hong Kong SAR						X <sup>Note5</sup>	Yes
India				X <sup>Note6</sup>			Yes
Indonesia	X <sup>Note7</sup>						
Iraq						X	Yes
Japan	X <sup>Note8</sup>		X				
Kazakhstan						X	Yes
Korea						X <sup>Note9</sup>	Yes
Macao SAR	No stock exchange in Macao <sup>Note10</sup>						
Malaysia						X <sup>Note11</sup>	Yes
Mongolia						X	Yes
Nepal						X <sup>Note12</sup>	
New Zealand						X	Yes
Pakistan						X <sup>Note13</sup>	Yes
Philippines						X <sup>Note14</sup>	Yes
Saudi Arabia						X <sup>Note15</sup>	Yes
Singapore						X <sup>Note16</sup>	Yes
Sri Lanka						X <sup>Note17</sup>	Yes
Syria				X <sup>Note18</sup>			
Thailand						X <sup>Note19</sup>	Yes
Uzbekistan	X <sup>Note19</sup>		X	X <sup>Note20</sup>			
Vietnam	X						
<b>Total</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>16</b>	<b>15</b>

[Notes to the table are shown below]

<sup>1</sup> This table is developed based on information submitted by AOSSG members or publicly available information, without performing any independent verification. AOSSG bears no responsibility for the information provided in this table.

1. Public interest entities, whose securities are traded in a public market are required to use IFRS Standards as adopted in Bangladesh.
2. Full IFRS adoption is required for public accountable entities such as banks, financial institutions, insurance companies, and takaful companies with effect from 1 January 2014.
3. IFRS Standards are adopted word-for-word as Cambodian International Financial Reporting Standards (CIFRS). CIFRS was effective from 1 January 2012, with early adoption permitted from 2009. CIFRS is required for publicly accountable entities, Commercial banks and microfinance deposit taking institutions.
4. The Ministry of Finance of China (MoF) is the accounting standard-setters in China. The Chinese Accounting Standards for Business Enterprises (ASBEs) issued in February 2006 were substantially converged with IFRS, which was recognized in the Joint Statement of CASC Secretary-General and IASB Chairman signed in November 2005. Based on the Roadmap for Continuing Convergence of ASBEs with IFRS released by the MoF in April 2010, the ASBEs will be revised and improved in accordance with the revision and improvement of IFRS, in order to continue convergence of the ASBEs with IFRS. In November 2015, the MoF and the IFRS Foundation published a joint statement, reaffirming the goal of full convergence, and enhancing continued cooperation.
5. Hong Kong is a Special Administrative Region of China. Hong Kong accounting standards are fully converged with IFRSs effective 1 January 2005. The Hong Kong standards contain wording identical to the equivalent IFRS except that the transitional provisions in a few standards that were converged initially with effect from 1 January 2005 were changed to provide the transition from the requirements in the previous HK GAAP. Since 1 January 2005, all HKFRSs issued have the same IFRS effective dates and transitional provisions.
6. India decided to converge with IFRS. Accordingly, IFRS-converged Indian Accounting Standards (Ind AS) have been notified by the Ministry of Corporate Affairs (MCA), Government of India (GoI). The Indian Government has issued the roadmap for implementation of IFRS-converged Indian Accounting Standards (Ind ASs) in phased manner. As per the roadmap, under Phase I, all companies are permitted to follow Ind AS on voluntary basis for the accounting period beginning on or after 1 April, 2015. All domestic public companies having net worth of INR 500 crore or more are required to follow Ind AS on mandatory basis for the accounting period beginning on or after 1 April 2016.

Under Phase II, remaining listed companies and companies having net worth of INR 250 crore or more are required to follow Ind AS for the accounting period beginning on or after 1 April 2017.

Besides, all holding, subsidiary, joint venture or associate companies of companies which are covered by the roadmap are also required to follow Ind AS.

As per the roadmap issued for Non-Banking Finance Companies (NBFCs), under Phase 1, NBFCs having net worth of INR 500 crores or more are required to follow Ind AS beginning, April 1, 2018. Under Phase II, NBFCs whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and having net worth less than INR. 500 crores, unlisted NBFCs having net worth of INR 250 crores or more are required to adopt Ind AS for accounting periods beginning April 1, 2019. Besides, all holding, subsidiary, joint venture or associate companies of above NBFCs which are covered by the roadmap are also required to follow Ind AS.

For Banks and Insurance Companies, Ind AS will be applicable from a future date.

7. Indonesia has made significant progress on IFRS convergence and continues to further minimize differences between Indonesian GAAP and IFRSs. Entities are permitted to use IFRSs if those entities are listed in other jurisdictions that require IFRS-based financial reports or are subsidiaries of foreign entities that apply IFRS. As at 1 January 2020, Indonesian GAAP that is effective in Indonesia is in line (with clear immaterial differences) with IFRSs that are effective 1 January 2019 (one year gap).
8. Listed companies may use Japanese Accounting Standards, Japan's Modified International Standards, IFRS Standards or US GAAP. Voluntary application of IFRS Standards in consolidated financial statements by listed companies that meet certain criteria has been permitted since March 2010. In 2013 those criteria were broadened to permit virtually all listed companies to use IFRS Standards, as well as unlisted companies that are preparing consolidated financial statements for listing purposes. As of June 2020, 224 companies (accounting for 42% of the Tokyo Stock Exchange market capitalization) have adopted or plan to adopt IFRS Standards.
9. Korea has adopted all IFRSs as issued by the IASB as Korean Financial Reporting Standards effective 2011, with early adoption permitted from 2009.
10. IFRSs are permitted in Macao. Since 2007, financial institutions, public companies and concessionary entities in Macao have been required to comply with the Macao Financial Reporting Standards (Macao FRS), which comprise a selection of standards from the 2004 edition of the IFRSs. In March 2020, Macao FRS were updated to adopt all standards in the 2015 edition of the IFRSs. In addition, some entities in Macao, mainly those in the gaming industry, are listed on the Hong Kong Stock Exchange and thus apply IFRSs according to the Hong Kong Stock Exchange rules.
11. Malaysian Financial Reporting Standards (MFRSs) (which are identical to IFRSs) are required for all domestic listed companies and other non-private entities in Malaysia. Financial statements that assert compliance with MFRSs are also required to assert compliance with IFRSs. Foreign companies listed on Bursa Malaysia may use IFRSs. Private entities in Malaysia are allowed to elect to use MFRSs in their entirety.
12. IFRS adopted as Nepal Financial Reporting Standards (NFRS) are required. They are being implemented for listed companies and government-owned business entities (state owned enterprises) over a three-year period starting in 2014. Full implementation of NFRS will be completed in 2018. Also, the Nepal Financial Reporting Standard (NFRS) for Small and Medium-sized Entities (SMEs) will be implemented from 2018.
13. Pakistan has adopted all IFRS Standards issued by IASB, except, IFRS 1 First-time Adoption of International Financial Reporting Standards. All domestic listed companies, public interest companies, large-sized domestic and foreign companies (based on the specified criteria) are required to use IFRS Standards as adopted in Pakistan. IFRS 9 is applicable to banks and non-banking finance companies from, 01 January 2021 and 01 July 2021, respectively.

Few exemptions/deferments from the adopted IFRS Standards have been granted by the Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan, these include: Exemption from IFRS 16 to power purchase agreements executed before 2019; Exemption from IAS 21 by allowing capitalization of exchange losses to companies having power purchase agreements executed before 2019; Exemption to mutual funds from consolidation under IFRS 10; Exemption from IFRS 2 for government shares option scheme of certain government owned companies, IAS 40 and IFRS 7 exemption to banks and IFRIC 12 exemption to all companies.

However, SECP and other stakeholders are making efforts to eliminate/minimize the exemptions/deferments.

All companies are also allowed to elect the use of IFRS Standards as issued by IASB.

SMEs are required to use IFRS for SMEs, however they can elect to use full IFRS Standards.

14. Pertains to Philippine for which we have not received any updates - The Philippine Financial Reporting Standards (PFRSs) are required for all domestic listed entities. PFRSs are fully converged with IFRSs except for IFRIC 15 Agreements for the Construction of Real Estate. The Philippine Financial Reporting Standards Council has deferred the mandatory effective date of IFRIC 15 until the revised IASB Revenue standard is issued and an evaluation of the revised Revenue standard requirements against the practices of the Philippine real estate industry is completed.
  15. All listed and public interest entities are required to apply IFRS from a January 2017, whereas banks and insurance companies were applying IFRS since long time. Other non public interest entities will apply IFRS for SMEs from 1 January 2018 with the option of applying full IFRS from 1 January 2017.
  16. Singapore Financial Reporting Standards (International) (SFRS(I)s) are required for all domestic companies whose debt or equity securities are traded, or are to be issued for trading, in a public market in Singapore. Domestic listed companies complying with SFRS(I)s can elect to simultaneously include an explicit and unreserved statement of compliance with IFRS Standards in its first and subsequent SFRS(I) financial statements. Foreign companies listed on the Singapore Stock Exchange are permitted to use IFRS.
  17. Specified Business Enterprise (SBEs) covered under Sri Lanka Accounting and Auditing Standards Act, No.15 of 1995 are required to use Sri Lanka Financial Reporting Standards (SLFRS) which are substantially converged with IFRS.
  18. In Syria, Public Joint Stock Companies, Banks, Insurance Companies, Projects licensed under Investment Law are all required to prepare their accounts according to IFRS (full adoption).
  19. The Federation of Accounting Profession, Thailand (TFAC) has adopted all IFRS as Thai Financial Reporting Standards (TFRS) which are identical to IFRS delay from 1 year effective date, early adoption permitted and are required for all domestic listed companies and public accountable entities (PAEs) in Thailand for annual periods beginning on or after 1 January 2020. Foreign companies listed on Stock Exchange of Thailand are permitted to use IFRS.
  20. Pertains to Uzbekistan for which we have not received any updates - In Uzbekistan, IFRS with some modifications are required for banks by the Central Bank.
- 3.6 The status of adoption/convergence with IFRS for SMEs in AOSSG member jurisdictions is shown in Table 3 below.

**Application of IFRS for SMEs in AOSSG 27-member jurisdictions – July 2020<sup>2</sup>**

Jurisdiction	SMEs				
	IFRS for SMEs under consideration	IFRS for SMEs with modifications	IFRS for SMEs permitted	SMEs not required to use full IFRS are required to use IFRS for SMEs	IFRS for SMEs not used
Australia*					X <sup>Note 1</sup>
Bangladesh	X <sup>Note 2</sup>				
Brunei	X <sup>Note 3</sup>				X
Cambodia <sup>@</sup>			X <sup>Note 4</sup>		
China*					X <sup>Note 5</sup>
Dubai International Financial Centre			X <sup>Note 6</sup>		
Hong Kong SAR*			X <sup>Note 7</sup>		
India*					X <sup>Note 8</sup>
Indonesia <sup>@</sup>	X <sup>Note 9</sup>				
Iraq			X <sup>Note 10</sup>		
Japan*					X <sup>Note 11</sup>
Kazakhstan			X <sup>Note 12</sup>		
Korea					X <sup>Note 13</sup>
Macao SAR					X <sup>Note 14</sup>
Malaysia* <sup>@</sup>		X <sup>Note 15</sup>			
Mongolia	X <sup>Note 16</sup>				X
Nepal <sup>@</sup>			X <sup>Note 17</sup>		
New Zealand					X <sup>Note 18</sup>
Pakistan <sup>@</sup>				X <sup>Note 19</sup>	
Philippines			X <sup>Note 20</sup>		
Saudi Arabia*				X <sup>Note 21</sup>	
Singapore			X <sup>Note 22</sup>		
Sri Lanka			X <sup>Note 23</sup>		
Syria <sup>@</sup>					X <sup>Note 24</sup>
Thailand	X <sup>Note 25</sup>				X
Uzbekistan					X <sup>Note 26</sup>
Vietnam					X <sup>Note 27</sup>
<b>Total</b>	<b>3</b>	<b>1</b>	<b>9</b>	<b>2</b>	<b>14</b>

[Notes to the table are shown below]

2 This table is prepared based on: (1) information submitted by AOSSG member or publicly available information without performing any independent verification [some of that information was provided by AOSSG IFRS for SMEs Working Group members in July 2017 and subsequently checked with members in July 2020 via email]; and (2) the jurisdictional profiles available at IASB webpage as at 23 July 2020, IFRS use around the world [last updated on 30 March 2017]. AOSSG bears no responsibility for the information in this table.

- Note 1 The AASB recently re-evaluated the suitability of the IFRS for SMEs Standard as the Tier 2 GPFS framework in Australia and confirmed that the full IFRS for SMEs Standard continues not to be a preferred option for the for-profit private sector in Australia. However, the AASB has used the disclosure requirements from the IFRS for SMEs standard as a basis for developing a separate disclosure standard for for-profit private sector entities that are required to comply with Australian Accounting Standards but do not have public accountability (Tier 2 entities).
- Tier 2 entities must comply with all recognition and measurement requirements in the Australian Accounting Standards, but have simplified disclosure requirements. The AASB is monitoring the IASB's Subsidiaries that are SMEs project and may consider adopting any resulting standard in due course. Also, the AASB is currently revisiting the financial reporting framework for not-for-profit private entities and the IFRS for SMEs standard has been noted as a possible option for a foundation of one of the potential reporting tiers.
- Note 2 In process- Medium entities will not be required to follow full IFRS but IFRS for SMEs. Small entities will be allowed to follow Accounting and Financial Reporting Standards for Small-sized entities.
- Note 3 BDASC has issued Brunei Darussalam Accounting Standards known as BDAS for non-public accountable entities including SMEs effective as of 1st January 2018.
- Note 4 IFRS for SMEs standards are adopted word-for-word as Cambodian International Financial Reporting Standards for Small and Medium Enterprises (CIFRS for SMEs). CIFRS for SMEs was effective from 1 January 2010, with early adoption permitted from 2009. CIFRS for SMEs is permitted for non-publicly accountable entities, specialized banks, microfinance institutions, leasing companies and rural credit institutions that are not taking deposit.
- Note 5 China used the IFRS for SMEs as an important reference when developing the Chinese Accounting Standard for Small Entities.
- Note 6 Pertains for Dubai for which we have not received any updates - Regulated entities in Prudential Category 3B, Category 3C or Category 4, which does not hold or control Client Assets or Insurance Monies; and are not authorised under its license to carry on the Financial Service of Operating an Alternative Trading System are permitted to use IFRS for SMEs.
- Note 7 An SME (as defined in the IFRS for SMEs Standard) may choose to report under (a) HKFRS (which is the equivalent of the IFRS Standards), (b) IFRS Standards as issued by the IASB Board (if the SME is incorporated outside Hong Kong), (c) the HKFRS for Private Entities, which is the equivalent of the IFRS for SMEs, or (d) the Hong Kong Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard (SME-FRF & SME-FRS) if it satisfies the criteria set out in the Hong Kong Companies Ordinance.
- Note 8 SMEs use national standards.
- Note 9 Non Public Accountable Entities (NPAEs) shall comply with Indonesian Financial Reporting Standard for NPAEs (SAK ETAP). In 2009, SAK ETAP is developed using the Exposure Draft (ED) IFRS for SMEs as one point of references. Currently, DSAK IAI is conducting Post Implementation Review to revise SAK ETAP with IFRS for SMEs 2015 is used as reference.
- Note 10 SMEs (simple companies and individual projects) are permitted to use the IFRS for SMEs.
- Note 11 The IFRS for SMEs has been translated into Japanese.



- Note 12 Pertains to Kazakhstan for which we have not received any updates - Medium-sized business enterprises and state enterprises are required to use either full IFRS or the IFRS for SMEs. Small enterprises must choose between full IFRS, the IFRS for SMEs, and a national standard.
- Note 13 Unlisted companies that are subject to external audit are required to use Korean GAAP (which is Accounting Standards for Non-Public Entities) unless they choose to use full IFRS Standards. Also, unlisted companies other than those subject to external audit are required to use Korean GAAP for SME (which is Accounting Standards for SME) unless they choose to use full IFRS Standards or Korean GAAP (which is Accounting Standards for Non-Public Entities).
- Note 14 There is already a set of accounting standards for micro and mini businesses in Macao. The CRAC feels that it is not appropriate to have too many tiers of accounting standards in Macao.
- Note 15 Private entities shall comply with either the Malaysian Private Entities Reporting Standard (MPERS) in its entirety; or Malaysian Financial Reporting Standards (MFRS) in their entirety. Section 1 Small and Medium-sized Entities has been modified to prescribe the applicability of the MPERS in the Malaysian context. In this regard, all references to 'SMEs' and 'public accountability' in Sections 1-35 have been replaced by the term 'private entities'.
- Section 9 Consolidated and Separate Financial Statements requires the ultimate Malaysian parent to prepare consolidated financial statements regardless of whether its ultimate parent that is not incorporated in Malaysia prepared consolidated financial statements. Section 34 Specialised Activities has been amended to provide guidance on the accounting for property development activities in Malaysia. Consequently, Example 12 on Agreements for the Construction of Real Estate contained in the Appendix to Section 23 Revenue has been removed. MFRSs are identical to IFRS Standards. Financial statements that assert compliance with MFRSs are also required to assert compliance with IFRS Standards.
- Note 16 Pertains for Mongolia for which we have not received any updates - The Ministry of Finance is working on amendments to Accounting Law that will include classification of entities. The Ministry of Finance states that once the classification is established, they will legislate the adoption of the IFRS for SMEs.
- Note 17 SMEs may choose (a) IFRS Standards adopted as Nepal Financial Reporting Standards or (b) the existing Nepal Accounting Standards with certain exemptions and simplifications for SMEs. The existing Nepal Accounting Standards will continue to be available to such entities until July 15, 2019. The NFRSs for SMEs has been developed and approved by ASB Nepal and its implementation has been pronounced by Institute of Chartered Accountants of Nepal making it effective from July 15, 2019.
- Note 18 Non-publicly accountable entities or non-large for-profit public sector entities that are required by law to prepare general purpose financial statements may use the NZ IFRS RDR, which includes disclosure concessions. That is, they apply the same recognition and measurement requirements as in IFRS Standards, but with substantially reduced disclosures (based in part on the disclosure concession principles used in IFRS for SMEs Standard). Most small and medium-sized for-profit entities do not have a statutory requirement to prepare financial statements in accordance with GAAP.
- Note 19 Pakistan has adopted IFRS for SMEs issued by IASB. All SMEs that are not publicly accountable and meet specified criteria are required to use IFRS for SMEs, unless they elect to use IFRS Standards as adopted in Pakistan. Micro-

sized entities based on the specified criteria are required to follow Revised Accounting and Financial Reporting Standard for Small-sized Entities. However, Micro-sized entities can also elect to use IFRS Standards as adopted in Pakistan or IFRS for SMEs. All companies are also allowed to elect the use of IFRS Standards as issued by IASB.

- Note 20 Pertains to Philippines for which we have not received any updates - All SMEs that meet specified criteria must use the PFRS for SMEs unless they elect to use full PFRS.
- Note 21 SOCPA has endorsed the IFRS for SMEs to be effective in 2018 for use by all non-publicly accountable entities. Entities would be permitted to elect early adoption in 2017. SOCPA has added some disclosures to the IFRS for SMEs but not otherwise modifying the IFRS for SMEs.
- Note 22 A company is eligible to use the Singapore Financial Reporting Standard for Small Entities (SFRS for Small Entities) if it is not publicly accountable, publishes general purpose financial statements for external users, and meets the definition of a 'small entity'. Such a company may also use Singapore Financial Reporting Standards (International) or Singapore Financial Reporting Standards that are wholly or substantially aligned with IFRS Standards, or IFRS Standards if approval for the use of IFRS Standards is granted by the Accounting and Corporate Regulatory Authority. The only differences between the SFRS for Small Entities and the IFRS for SMEs are: not all Singapore companies that meet the IASB's definition of SMEs are eligible to use the SFRS for Small Entities; and the Accompanying Note to the Singapore equivalent of IFRIC 15 Agreements for the Construction of Real Estate is an integral part of the SFRS for Small Entities. This guidance is intended to be consistent with the requirements of IFRIC 15.
- Note 23 All entities that are covered under section 1.2 of SLFRS for SMEs excluding Specified Business Enterprises (SBEs) [except SBEs above defined size thresholds] are permitted to apply SLFRS for SMEs.
- Note 24 In Syria, IFRS for SMEs is still not adopted.
- Note 25 Non-Public Accountable Entities (NPAEs) shall comply with Thai Financial Reporting Standard for NPAEs (TFRS for NPAEs) which is modified from IFRS for SMEs with simplification for NPAEs in Thailand context. However, IFRS for SMEs is under consideration to modify with the Thailand context.
- Note 26 Pertains to Uzbekistan for which we have not received any updates -SMEs use national accounting standards.
- Note 27 Vietnam has an accounting interpretation for SME and Micro Small Enterprises, not to apply IFRS for SME.