

Decision of adopting (IAS), (IFRS) & (ISA) in the Republic of Yemen, starting from January 01, 2020

The (IFRS) and their explanations are issued by the International Accounting Standards Board (IASB) which are prepared to be applied worldwide when preparing the financial reports of business companies and entities in various types of industries, particularly joint stock companies and companies registered in securities market for the purpose of providing the users with FSs that show the results of financial position activity and financial cash flows prepared according to international unified basis and standards. This reflects high level of trust and transparency of FSs and makes it comparable locally and internationally and being used more by wide variety of users and investment-decision makers (local and international). This users segment comprises of local investors, lenders, creditors, government entities and others.

Taking into account that the IFRS are applied in several countries, Middle East countries, and gulf since long time and according to the latest statistics, more than 120 countries worldwide are adopting the IFRS as a general frame for preparing the IFRS in a way or another.

In Yemen, and to keep pace with development, Globalization and the general orientation of the international community in this field. Such standards have been lately adopted as basis for preparing the FSs in accordance with the ministerial decision no. (51) of 2019 starting from January 1, 2020. The ministerial decision and the Yemeni association of certified public accountants are detailed in this regard as follows:

Council of Ministers, Ministry of Industry and Trade

The Council of Ministers decision no. (51) of 2019 in regard to adopting the IASs, the IFRS and the ISAs in the republic of Yemen has been issued at The General Secretariat of the Council of Ministers.

After the Council of Ministers had viewed the decision issued by the minister of industry and Trade in regard to applying the IASs and IFRSs and ISAs in the Republic of Yemen in line with the laws and legislations in force.

This passed decision which has been discussed and agreed upon by a committee formed of related parties headed by the Minister of Industry and Trade and members of government entities, representatives of private sector and a number of elite specialized academics and certified accountants practicing audit and review profession, aims at providing statutory full commitment and avoiding unofficial practice of IASs in business field.

In addition, this decision aims at promoting transparency and giving the Yemeni entities applying IASs access to international financial markets and therefore increase demands for their shares and more investment opportunities as well as to benefit from the advantages and services provided by the International Federation of accountants for upgrading the profession and developing the professional performance of its practitioners.

The Council of Ministers approved the validity of this decision to the authorities, entities, sectors, reports and FSs starting from January 1, 2020 (a copy of this decision is attached).

Yemeni Association for Certified Public Accountants (YACPA)

To culminate the efforts exerted by the (YACPA) Yemeni Association for Certified Public Accountants and the accreditation committee at the Ministry of Industry and Trade , the Council of Ministers has issued decision no. (51) of 2019 in regard to adopting IASs and IFRSs in the Republic of Yemen as well as the rules and ethics of international professional behavior starting from January 1, 2020. In addition, International Accounting Standards Committee of to (YACPA) in its meeting no. () held at the (YACPA) office dated November 10, 2019 has discussed and decided the following:

- Confirming that companies and individual audit offices operating in the Republic of Yemen have full commitment of entire understating of IASs and IFRSs and IFRSs for EMSs issued by the (BSAI) International Accounting Standards Board when auditing the accounts of their clients who are adopting and applying these standards at the present time and who will apply such standards either voluntary or in accordance with the instructions of the Adoption and Development of International Accounting and Auditing Standards Committee of Ministry of Industry and Trade.
- Confirming that companies and individual audit offices operating in the Republic of Yemen have full commitment of following up all bulletins issued by the (BSAI) International Accounting Standards Board which are associated with IASs, IFRSs and IFRSs for EMSs.
- Following up the instructions that will be issued by Adoption and Development of International Accounting and Auditing Standards Committee of Ministry of Industry and Trade.
- Following up the training courses held by the training institute of (YACPA) as well as following up the instructions and bulletins that would be issued by the Accounting Standards Committee of (YACPA).
- Contacting the (YACPA) so as to obtain the IASs, IFRSs and IFRSs for EMSs in English and Arabic languages since the (YACPA) is entitled to re-publish the certified Arabic version that approves those standards for its members according to the agreement of re-publishing the IFRSs in Arabic language. Taking into consideration that the (YACPA) has taken part in reviewing the translation of some IASs into Arabic language for being an approved member in the Accounting Standards Review Committee.