

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Comoros**



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This Profile provides information about the application of IFRS Standards in Comoros. 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 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

Organisations

Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA)
[Organisation for the Harmonisation of Business Law in Africa]

Union Economique et Monétaire Ouest Africaine (UEMOA) [West African
Economic and Monetary Union]

Role of the organisations

Organisation for the Harmonisation of Business Law in Africa (OHADA)

In October 1993, 17 West and Central African nations signed a treaty forming a regional organization called Organisation pour l'Harmonisation en Afrique du Droit des Affaires (OHADA) -- the Organisation for the Harmonisation of Business Law in Africa. The 17 countries are Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of Congo, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Mali, Niger, Republic of the Congo, Senegal, and Togo.

OHADA was established with the objective of fostering economic development in West and Central Africa by creating a better investment climate so as to attract investment and enhance growth. OHADA has adopted business laws and formed institutions to implement those laws.

OHADA has authority to adopt accounting standards. By treaty, the member states must abide by those standards.

On 26 January 2017, the Council of Ministers of OHADA adopted the OHADA Uniform Act on Accounting Law and Financial Reporting. It was published in the Official Gazette of the Organization on 15 February 2017. That Act adopted an OHADA accounting system called *Système Comptable OHADA*, or SYSCOHADA. SYSCOHADA is 1,246 pages long, in French. You can download it [here \(81mb\)](#).

For most companies in OHADA countries, the SYSCOHADA accounting system is an elaboration of the French *Plan Comptable*. It applies to small and medium-sized entities (SMEs) and excludes banking companies, financial market players, insurance companies and social security institutions, to which specific regulatory frameworks apply. However, for listed companies and companies seeking financing in a public capital market, the new OHADA system requires IFRS Standards starting 1 January 2019. IFRS standards are optional for other public interest entities.

West African Economic and Monetary Union (UEMOA)

Eight OHADA jurisdictions are also members of the *Union économique et monétaire ouest-africaine* (West African Economic and Monetary Union, or UEMOA). The eight UEMOA jurisdictions are Benin, Burkina Faso, Guinea Bissau, Cote d'Ivoire, Mali, Niger, Senegal and Togo. UEMOA was formed by treaty in January 1994 with the goal of establishing a common market and adopting joint policies particularly on human resources, territorial administration, agriculture, energy, industry, mines, transport, infrastructure and telecommunications. In pursuing its mission, UEMOA also has authority to adopt accounting standards. Under the treaty, the member states must abide by those standards.

On 20 December 1996, the UEMOA adopted regional accounting standards known as *Le Système Comptable Ouest Africain* (West African Accounting system, or SYSCOA), effective 1 January 1998. SYSCOA is based on the French *Plan Comptable* and was compliant with the OHADA accounting framework as at December 2013. It applies to all companies in the UEMOA jurisdictions unless financial market players, banking companies, insurance companies and social security institutions.

Bourse Régionale des Valeurs Mobilières (BRVM)

The eight UEMOA jurisdictions have organised a securities exchange: *Bourse Régionale des Valeurs Mobilières* (BRVM). The BRVM began operations in 1998. The listing rules of the BRVM do not specify a unique accounting standards framework by which the required financial statements must be prepared. Companies file based on SYSCOA or regulatory accounting standards (such as banking and insurance).

Websites

OHADA: <http://www.ohada.org/index.php/en/>

UEMOA: <http://www.uemoa.int/en>

BRVM: <http://www.brvm.org/>

Email contacts

UEMOA: commission@uemoa.int

OHADA: secretariat@ohada.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?	Yes. By having adopted IFRS Standards for all listed companies and companies seeking financing in a public capital market, OHADA and its member jurisdictions have publicly stated their commitment to global accounting standards. The announcement can be found on the OHADA website.
Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	Yes. By having adopted IFRS Standards for all listed companies and companies seeking financing in a public capital market, OHADA and its member jurisdictions have publicly stated their commitment to IFRS Standards. The announcement can be found on the OHADA website.
What is the jurisdiction's status of adoption?	IFRS Standards have been adopted in Comoros.
Additional comments provided on the adoption status?	IFRS Standards are required in the consolidated financial statements of all listed companies and companies seeking financing in a public capital market in all OHADA jurisdictions effective 1 January 2019. All other companies in OHADA jurisdictions are permitted, but not required, to use 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?	Yes.
If YES, are IFRS Standards REQUIRED or PERMITTED?	Required by OHADA starting 1 January 2019. See above.
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?	No. SYSCOHADA is used in separate company financial statements.

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	Yes. IFRS Standards are required for all companies 'making a public call for capital', that is, seeking capital in a public market. OHADA has adopted the Uniform Act Relating to Commercial Companies and the Economic Interest Group. Article 81 of Title 4 of that Act states that a company is automatically deemed to be making a public call for capital if its 'securities are distributed beyond a radius of one hundred (100) persons'. Therefore, companies with more than 100 security holders are required to use IFRS Standards, even if their securities do not trade in a public market.
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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.
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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 Standards in their consolidated financial statements?	Yes.
If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?	Required by OHADA starting 1 January 2019. See above.
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 Standards are required or permitted for domestic companies?	IFRS Standards as issued by the IASB.
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The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:	International Financial Reporting Standards.
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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.
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Are IFRS Standards incorporated into law or regulations?	Yes.
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If yes, how does that process work?	The OHADA Uniform Act on Accounting Law and Financial Reporting was adopted by the Council of Ministers of OHADA on 26 January 2017 and was published in the Official Gazette of the Organization on 15 February 2017. That law requires IFRS Standards in the consolidated financial statements of all listed companies and companies seeking financing in a public capital market in an OHADA jurisdiction effective 1 January 2019.
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If no, how do IFRS Standards become a requirement in the jurisdiction?	Not applicable.
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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 become a requirement in the jurisdiction?	The OHADA Uniform Act on Accounting Law and Financial Reporting requires IFRS Standards as issued by the Board. There is no need for endorsement of individual new or amended IFRS Standards.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS and/or made any modifications to any IFRS?	No.
If yes, what are the changes?	Not applicable.
Other comments regarding the use of IFRS in the jurisdiction?	None.
TRANSLATION OF IFRS STANDARDS	
Are IFRS Standards translated into the local language?	French or Portuguese are the national languages of all of the OHADA jurisdictions. IFRS Standards are translated into both of those languages.
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 translations are done in conformity with the requirements of the IFRS Foundation.
APPLICATION OF THE IFRS FOR SMEs STANDARD	
Has the jurisdiction adopted the <i>IFRS for SMEs</i> Standard for at least some SMEs?	No.
If no, is the adoption of the <i>IFRS for SMEs</i> Standard under consideration?	No.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> 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> 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 <i>IFRS for SMEs</i> Standard, what other accounting framework do they use?	All SMEs are required either to follow SYSCOHADA or to use full IFRS Standards as issued by the IASB.
Other comments regarding use of the <i>IFRS for SMEs</i> Standard?	None.