

STAFF PAPER

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Emerging Economies Group

Project	Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
Paper topic	EEG Members' Financial Reporting Frameworks
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This paper has been prepared for discussion at a public meeting of the Emerging Economies Group (EEG) and does not represent the views of the International Accounting Standards Board (IASB) or any individual member of the IASB. Comments on the application of IFRS[®] Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB[®] *Update*.

Purpose of the paper

1. This paper should be read in conjunction with Agenda Paper 1 *Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures*. Specifically, this paper should be read in the context of the question to Emerging Economies Group (EEG) members on slide 26 of Agenda Paper 1 about adoption of the draft IFRS Standard *Subsidiaries without Public Accountability: Disclosures*.
2. The tables on pages 2–4 of this paper summarise the financial reporting frameworks of EEG members' jurisdictions.

EEG members’ financial reporting frameworks

Table 1—Argentina, Brazil, China, India

	Argentina	Brazil	China	India
Tier 1: Listed companies				
Other listed companies	IFRS Standards	IFRS Standards (except for real estate companies, they apply local GAAP)	Local GAAP - Accounting Standards for Business Enterprises (ASBE), substantially converged with IFRS Standards	Indian Accounting Standards (Ind AS), substantially converged with IFRS Standards, formulated by Institute of Chartered Accountants of India (ICAI) and notified under Companies Act, 2013
Banks	Local GAAP	IFRS Standards		Local GAAP, formulated by ICAI and notified under Companies Act, 2013
Insurance companies	Local GAAP	IFRS Standards		
Tier 2: Non-listed companies	Banks and insurance companies apply local GAAP Other companies, IFRS Standards if endorsed in the province; otherwise, option of the <i>IFRS for SMEs</i> Standard or local GAAP	IFRS Standards or the <i>IFRS for SMEs</i> Standard, depending on the classification (except for real estate companies, they apply local GAAP)	- Large and medium-sized companies: local GAAP - ASBE - Small-sized companies: local GAAP (option of ASBE or Accounting standards for Small Business Enterprises; however, ASBE is required in some specific circumstances)	Ind AS, if net worth is INR 250 crore or more Local GAAP, if net worth is less than INR 250 crore
Subsidiaries eligible to apply the draft IFRS Standard	IFRS Standards if endorsed in the province; otherwise, option of the <i>IFRS for SMEs</i> Standard or local GAAP	IFRS Standards or the <i>IFRS for SMEs</i> Standard, depending on the classification (except for real estate companies, they apply local GAAP)	ASBE	Required to apply Ind AS If a parent applies Ind AS, its subsidiary (other than a bank or insurance company) is required to apply Ind AS for its individual financial statements

Table 2—Indonesia, South Korea, Malaysia, Mexico

	Indonesia	South Korea	Malaysia	Mexico
Tier 1: Listed companies				
Other listed companies	Local GAAP	IFRS Standards	IFRS Standards, <i>and</i> Malaysian Financial Reporting Standards (MFRSs) which are word-for-word IFRS Standards; dual compliance is required	IFRS Standards
Banks	Local GAAP	IFRS Standards		Local GAAP
Insurance companies	Local GAAP	IFRS Standards		Local GAAP
Tier 2: Non-listed companies	Local GAAP	Banks and insurance companies apply IFRS Standards Other companies, option to use IFRS Standards or local GAAP	IFRS Standards <i>and</i> MFRSs, if the entity is affiliated (a subsidiary, associate or joint venture) to an entity that is required to file its financial statements to the Central Bank and/or Securities Commission Other companies, option to use IFRS Standards <i>and</i> MFRSs or MPERS (substantively aligned with the <i>IFRS for SMEs</i> Standard)	Option to use IFRS Standards or local GAAP
Subsidiaries eligible to apply the draft IFRS Standard	Local GAAP	Option to use IFRS Standards or local GAAP	IFRS Standards <i>and</i> MFRSs, if the entity is affiliated (a subsidiary, associate or joint venture) to an entity that is required to file its financial statements to the Central Bank and/or Securities Commission Other companies, option to use IFRS Standards <i>and</i> MFRSs or MPERS	Option to use IFRS Standards or local GAAP

Table 3—Russia, Saudi Arabia, South Africa, Turkey

	Russia	Saudi Arabia	South Africa	Turkey
Tier 1: Listed companies				
Other listed companies	IFRS Standards for consolidated financial statements Local GAAP (based on IFRS Standards) for stand-alone financial statements	IFRS Standards	IFRS Standards	IFRS Standards
Banks	IFRS Standards for consolidated financial statements (except for few minor banks) and stand-alone financial statements	IFRS Standards	IFRS Standards	IFRS Standards
Insurance companies	IFRS Standards for consolidated financial statements and stand-alone financial statements	IFRS Standards	IFRS Standards	IFRS Standards
Tier 2: Non-listed companies	IFRS Standards for consolidated financial statements Local GAAP (based on IFRS Standards) for stand-alone financial statements	Option to use IFRS Standards or the <i>IFRS for SMEs</i> Standard	IFRS Standards or the <i>IFRS for SMEs</i> Standard (depending on the public interest score); entities that could apply the <i>IFRS for SMEs</i> Standard could opt to apply IFRS Standards	Public interest entities are required to apply IFRS Standards Other companies, option to use IFRS Standards or local GAAP (modified <i>IFRS for SMEs</i> Standard)
Subsidiaries eligible to apply the draft IFRS Standard	IFRS Standards for consolidated financial statements Local GAAP (based on IFRS Standards) for stand-alone financial statements	Option to use IFRS Standards or the <i>IFRS for SMEs</i> Standard	IFRS Standards or the <i>IFRS for SMEs</i> Standard (depending on the public interest score); entities that could apply the <i>IFRS for SMEs</i> Standard could opt to apply IFRS Standards	Option to use IFRS Standards or local GAAP (modified <i>IFRS for SMEs</i> Standard)