



JURISDICTIONAL PROFILE: **Jordan**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Jordan. The Standards are developed and issued in the public interest by the International Accounting Standards Board (IASB). The IASB is the standard-setting body of the IFRS Foundation (Foundation), an independent, private sector, not-for-profit organisation.

The Foundation has prepared this Profile based on information from various sources. The starting point was the answers provided by standard-setting and other bodies in response to surveys the Foundation conducted on the application of the Standards around the world. The Foundation drafted the profile and invited the respondents to the survey. The Foundation also invited others (including regulators and international audit firms) to review the drafts. Their comments are reflected in this Profile.

The purpose of the Foundation's Jurisdictional Profiles is to illustrate only the extent of implementation of the Standards across the globe. The Profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact [permissions@ifrs.org](mailto:permissions@ifrs.org).

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**RELEVANT JURISDICTIONAL AUTHORITY**

Organisation	Jordanian Association of Certified Public Accountants (JACPA)
Role of the organisation	Accounting requirements in Jordan are established by the legislative body, the National Assembly (Majlis al-Umma), and by regulations issued by regulatory bodies pursuant to the laws.  The JACPA provides advice to the government in the areas of accounting and auditing standards.
Website	<a href="http://www.jacpa.org.jo/">www.jacpa.org.jo/</a>
Email contact	<a href="mailto:info@jacpa.org.jo">info@jacpa.org.jo</a>

**COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS**

Has the jurisdiction made a public commitment in support of moving towards a Yes.

single set of high quality global accounting standards?	<p>Support for IFRS Standards is stated in the Jordanian Companies Law.</p> <p>Article No. 184 of the Companies Law requires that “A Public Shareholding Company shall organize its accounts and keep its registers and books in accordance with the recognized international accounting and auditing standards.”</p> <p>Regulations issued by the Jordanian Securities Commission, the Central Bank of Jordan, and Jordanian Insurance Commission all require IFRS Standards for regulated companies under their jurisdiction.</p>
Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?	<p>Yes.</p> <p>Support for IFRS Standards is stated in the Jordanian Companies Law.</p> <p>Article No. 184 of the Companies Law requires that “A Public Shareholding Company shall organize its accounts and keep its registers and books in accordance with the recognized international accounting and auditing standards.”</p> <p>Regulations issued by the Jordanian Securities Commission, the Central Bank of Jordan, and Jordanian Insurance Commission all require IFRS Standards for regulated companies under their jurisdiction.</p>
What is the jurisdiction’s status of adoption?	<p>IFRS Standards are required for the financial statements of all companies whose securities are traded in a public market.</p> <p>See except from the Jordanian Companies Law above. In addition, the Jordanian Securities Commission has adopted the Instructions of Issuing Companies Disclosure, Accounting and Auditing Standards regulation.</p> <p>Article 14 of that regulation requires: “The international accounting standards issued by the Board of International Accounting Standards are hereby adopted whereby all the parties subject to the Commission’s monitoring shall prepare their financial statements consistently therewith.”</p> <p>Regulations issued by the Central Bank of Jordan (for financial institutions) and by the Jordanian Insurance Commission (for insurance companies) require IFRS Standards for regulated companies under their jurisdiction.</p>
Additional comments provided on the adoption status?	<p>From 1997 onwards, upon the issuance of Companies Law no.22 for the year 1997, Jordan started to fully adopt the full version of IFRS Standards (then called International Accounting Standards) without amendments.</p>

If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Accounting Standards as that set of standards, explain the jurisdiction’s general position towards the adoption of IFRS Accounting Standards in the jurisdiction.	Not applicable.
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## 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

Yes.

Accounting Standards in their consolidated financial statements?

If YES, are IFRS Accounting 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 Accounting 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 Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

IFRS Standards are required.

For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?

Jordanian Companies Law requires all public shareholding companies, general partnerships, limited partnerships, limited liability companies, private shareholding companies, and foreign companies operating in Jordan to prepare annual audited financial statements in accordance with "internationally recognized accounting and auditing principles". Companies whose securities trade in a public market ("public shareholding companies") are regulated by the Jordanian Securities Commission, which requires full adoption of IFRS Standards. Similarly, financial institutions regulated by the Central Bank of Jordan and insurance companies regulated by the Jordanian Insurance Commission must use full IFRS Standards. All other companies may use full IFRS Standards or they may use the *IFRS for SMEs* Standard.

If the jurisdiction currently does NOT require or permit the use of IFRS Accounting Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Accounting Standards for such companies in the future?

Not applicable.

*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 Accounting Standards in their consolidated financial statements?

Yes.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?

IFRS Standards as issued by the IASB Board are required.

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 Accounting Standards are required or permitted for domestic companies?

IFRS Standards as issued by the IASB Board. The Jordanian Securities Commission and other government authorities have eliminated several options

permitted in IFRS Standards (see below). However, the financial statements of all companies can still be in full compliance with IFRS Standards.

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 Accounting Standards and the jurisdiction's GAAP)?	No.
Are IFRS Accounting Standards incorporated into law or regulations?	Yes.
If yes, how does that process work?	IFRS Standards are incorporated in the Jordanian Companies Law and in regulations issued under that law and other laws. See above.
If no, how do IFRS Accounting 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 Accounting Standards (including Interpretations) in place?	IFRS Standards are not individually adopted. However, IFRS Standards are endorsed because the Companies Law and regulations issued under that law and other laws require IFRS Standards.
If yes, what is the process?	See above.
If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?	Not applicable.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards?	Yes. Several accounting policy options permitted in IFRS Standards have been eliminated. But IFRS Standards have not otherwise been modified.
If yes, what are the changes?	<p>The Jordanian Securities Commission, the Central Bank of Jordan, and the Jordanian Insurance Commission require the cost-depreciation-impairment model for all property, plant, and equipment, intangible assets, and investment property. The revaluation model in IAS 16 <i>Property, Plant and Equipment</i> and in IAS 38 <i>Intangible Assets</i> and the fair value through profit or loss model in IAS 40 <i>Investment Property</i> are not permitted.</p> <p>The revaluation and fair value accounting policy options were eliminated in 2007 because active markets did not exist in Jordan for property and intangibles. Elimination of the options is regarded as temporary and may be cancelled if the regulators' concerns are mitigated in the coming years.</p>
Other comments regarding the use of IFRS Accounting Standards in the jurisdiction?	None.

## TRANSLATION OF IFRS ACCOUNTING STANDARDS

Are IFRS Accounting Standards translated into the local language?	Yes. The IFRS Foundation coordinates the publication of an annual bound volume of IFRS Standards in Arabic.
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If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Accounting Standards? The translation follows the official IFRS Foundation translation process.

## APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the <i>IFRS for SMEs</i> Accounting Standard for at least some SMEs?	No.
If no, is the adoption of the <i>IFRS for SMEs</i> Accounting Standard under consideration?	Yes. Adoption of the <i>IFRS for SMEs</i> Standard is under discussion between the National Assembly (the legislative body in Jordan) and the Jordanian Association of CPAs. However, as explained below, SMEs are currently permitted to use the <i>IFRS for SMEs</i> Standard even though it has not been formally adopted.
Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Accounting 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> Accounting 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> Accounting Standard, what other accounting framework do they use?	Jordanian Companies Law requires all public shareholding companies, general partnerships, limited partnerships, limited liability companies, private shareholding companies, and foreign companies operating in Jordan to prepare annual audited financial statements in accordance with "internationally recognized accounting and auditing principles". Full IFRS Standards are required by regulation for public shareholding companies regulated by the Jordanian Securities Commission, for financial institutions regulated by the Central Bank of Jordan, and for insurance companies regulated by the Jordanian Insurance Commission. Other companies may use full IFRS Standards or they may use the <i>IFRS for SMEs</i> Standard even though the <i>IFRS for SMEs</i> Standard has not yet been formally adopted.
Other comments regarding use of the <i>IFRS for SMEs</i> Accounting Standard?	None.