



JURISDICTIONAL PROFILE: **Liberia**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Liberia. 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.

Profile last updated: 30 August 2016

RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Liberian Institute of Certified Public Accountants (LICPA)
Role of the organisation	<p>The LICPA is the official accounting standards-setting body in Liberia. The LICPA was established by Legislature of Liberia in the Liberian Institute of Certified Public Accountants Act (LICPA Act) of 3 June 2011 to regulate the accounting profession in Liberia. The LICPA is empowered to set standards, license accounting and assurance practitioners, build capacity and do all things appertaining to regulating the accounting and assurance professions aimed at building a strong and vibrant public accounting sector in the country. With respect to accounting standards, Section 8 of the LICPA Act provides:</p> <p>‘In furtherance of its objectives, the Institute is&hellip; authorized to&hellip; regulate the practice of accounting&hellip; in Liberia by establishing and enforcing accounting, auditing and other assurance engagement standards in Liberia.’</p>
Website	http://licpa.org.lr/

Email contact

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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.

In July 2015, the Governing Council of the LICPA issued Regulation 1: Professional Standards and Related Practice Statements that, among other things, adopted IFRS Standards as the accounting framework in Liberia effective 31 December 2018, with earlier application encouraged. (The effective date of Regulation 1 was initially 31 December 2016, but the LICPA subsequently amended that to 31 December 2018.)

Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?

Yes.

See above.

What is the jurisdiction's status of adoption?

Liberia has adopted IFRS Standards and the IFRS for SMEs Standard as issued by the IASB Board.

Additional comments provided on the adoption status?

The LICPA began the process of adopting IFRS Standards in Liberia prior to 2014, and its plan was to complete the process and announce adoption of IFRS Standards in 2014. However, this was delayed due to the outbreak of Ebola. After control of the Ebola outbreak, in July 2015 LICPA issued Regulation 1: Professional Standards and Related Practice Statements formally adopting and the following standards and pronouncements:

- IFRS Standards, including both full IFRS Standards and the IFRS for SMEs Standard.
- International Standards on Auditing.
- International Education Standards for Accountants.
- The IFAC Code of Ethics for Professional Accountants.

The IFRS Standards are effective 31 December 2018, with earlier application encouraged. (The effective date of Regulation 1 was initially 31 December 2016, but the LICPA subsequently amended that to 31 December 2018.)

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.

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 Accounting Standards in their consolidated financial statements?

There is no stock exchange in Liberia.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?

Not applicable.

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?

Not applicable.

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?

Yes. The Central Bank of Liberia mandated that all commercial banks operating in Liberia must prepare their financial statements using IFRS Standards effective 2013. This includes separate company financial statements. All other companies will be required by LICPA Regulation 1 to use either full IFRS Standards or the IFRS for SMEs Standard effective 31 December 2018, with earlier application encouraged. This includes separate company financial statements.

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

Yes. Financial Institutions Act of 1999 requires that 'every financial institution shall- keep its business records and books in accordance with internationally accepted accounting principles'. Consistent with that Act, the Central Bank of Liberia mandated that all commercial banks operating in Liberia must prepare their financial statements using IFRS Standards effective 2013.

LICPA Regulation 1 specifies that the following public interest entities must use full IFRS Standards effective 31 December 2018, with earlier application encouraged:

- banks of any and every kind (micro, commercial, investment, etc.);
- credit unions;
- insurance companies;
- mutual funds;
- dealers of any and every kind (including brokers) in financial securities; and
- any legal person that is in the process of having its equity or debt instruments listed for trading on any public exchange located anywhere, whether within or outside of Liberia; along with any and all other public interest deposit-taking legal entities;

provided that a susu club or credit union with total assets value than one million United States dollars (or its Liberian dollar equivalent) may elect to use the IFRS for SMEs Standard. All other companies whose securities do not trade in a public market are required by LICPA Regulation 1 to use either full IFRS Standards or the IFRS for SMEs Standard effective 31 December 2018, with earlier application encouraged.

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?

There is no stock exchange in Liberia.

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

Not applicable.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

Not applicable.

IFRS ENDORSEMENT

Which IFRS Accounting Standards are required or permitted for domestic companies?

IFRS Standards as issued by the IASB Board.

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. See above.

If yes, how does that process work?

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?

No.

If yes, what is the process?

Not applicable.

If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?

Both The Central Bank of Liberia and LICPA Regulation 1 mandate the use of IFRS Standards and the IFRS for SMEs Standard. Endorsement of individual new or amended IFRS Standards is not necessary.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards?

No.

If yes, what are the changes?

Not applicable.

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? No. IFRS Standards in English are used.

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? Not applicable.

APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the *IFRS for SMEs* Accounting Standard for at least some SMEs? Yes.

If no, is the adoption of the *IFRS for SMEs* Accounting Standard under consideration? Not applicable.

Did the jurisdiction make any modifications to the *IFRS for SMEs* Accounting Standard? No.

If the jurisdiction has made any modifications, what are those modifications? Not applicable.

Which SMEs use the *IFRS for SMEs* Accounting Standard in the jurisdiction, and are they required or permitted to do so? All SMEs are required to use either the IFRS for SMEs Standard or full IFRS Standards effective 31 December 2018, with earlier application encouraged.

For those SMEs that are not required to use the *IFRS for SMEs* Accounting Standard, what other accounting framework do they use? Not applicable.

Other comments regarding use of the *IFRS for SMEs* Accounting Standard? None.