

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Angola**



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

Organisation	Banco Nacional de Angola (BNA) [National Bank of Angola]
Role of the organisation	The National Bank of Angola has statutory authority to adopt accounting standards for financial institutions and other entities that they regulate.
Website	http://www.bna.ao
Email contact	bandrade@bna.ao

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. On 26 June 2015, the National Bank of Angola (BNA) announced a new regulation that requires some Angolan banks to begin using IFRS Standards from 1 January 2016 and the remaining Angolan banks to begin using IFRS Standards from 1 January 2017. The BNA had previously announced its plan to adopt IFRS Standards in a March 2014 public presentation.
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Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	Yes. The regulation of the National Bank of Angola referred to above is evidence of that commitment.
What is the jurisdiction's status of adoption?	IFRS Standards are required for the consolidated and individual financial statements of all banks regulated by the National Bank of Angola (BNA), effective for some banks from 1 January 2016 and for the remaining banks from 1 January 2017. The Angolan Debt and Securities Exchange began trading treasury securities in November 2016. Limited trading of equity securities There is currently no active stock exchange in Angola; however, there is a plan to begin trading on a new stock exchange in 2016.
Additional comments provided on the adoption status?	<p>Under the BNA regulation, banking institutions that meet at least one of the following criteria at 31 December 2015 must fully adopt IFRS Standards as issued by the IASB Board from 1 January 2016:</p> <ul style="list-style-type: none"> • the institution has total assets above AKZ 300 000 million (US\$2.4 million) on an individual basis; • the institution is listed on the stock exchange or it is a subsidiary of a company listed on the stock exchange; • the institution has one or more subsidiaries domiciled abroad; • the institution is headquartered in Angola and is a subsidiary of a company domiciled abroad; or • the institution is a subsidiary of an institution that meets any of the above criteria. <p>Banking institutions that do not meet any of the above criteria at 31 December 2015 must fully adopt IFRS Standards as issued by the IASB Board from 1 January 2017, with the option of adopting IFRS Standards from 1 January 2016.</p>
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	
<i>For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:</i>	
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?	There is currently no active stock exchange in Angola; however, there is a plan to begin trading on a new stock exchange in 2016.
If YES, are IFRS 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 Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Not applicable.
For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	Not applicable.
For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	IFRS Standards are required for the consolidated and individual financial statements of all banks regulated by the National Bank of Angola (BNA), effective for some banks from 1 January 2016 and for the remaining banks from 1 January 2017. This includes banks whose securities do not trade in a public market. Insurance companies and pension funds follow the regulations established by the Angolan Agency for Insurance Regulation and Supervision (ARSEG). All other companies must prepare their financial statements in conformity with the Angolan Accounting Law and the General Accounting Plan (PGC) that was adopted by Presidential Decree 82/01 of 16 November 2001. Link to the PGC (in Portuguese): http://www.gcl.co.ao/gca/index.php?id=92
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.
<i>For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:</i>	
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?	There is currently no active stock exchange in Angola; however, there is a plan to begin trading on a new stock exchange in 2016.
If YES, are IFRS 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 Standards are required or permitted for domestic companies?	The National Bank of Angola requires IFRS Standards for some banks effective from 1 January 2016 and for the remaining banks from 1 January 2017. Details.
The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:	Currently, the audit report refers to Angolan GAAP.
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.

Are IFRS Standards incorporated into law or regulations?	No.
If yes, how does that process work?	Not applicable.
If no, how do IFRS Standards become a requirement in the jurisdiction?	The National Bank of Angola has adopted IFRS Standards for all banks by reference to IFRS Standards, rather than by adopting individual IFRS Standards.
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 Standards become a requirement in the jurisdiction?	By reference to IFRS Standards in its regulations, the National Bank of Angola has adopted IFRS Standards as issued by the IASB Board. This means that all future new and amended IFRS Standards are automatically adopted in Angola.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?	No.
If yes, what are the changes?	Not applicable.
Other comments regarding the use of IFRS Standards in the jurisdiction?	None.

TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?	Yes. Portuguese is the official language of Angola.
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?	<p>There are two Portuguese translations of IFRS Standards:</p> <ol style="list-style-type: none"> 1. Portuguese is one of the official languages of the European Union. Pursuant to a copyright waiver agreement with the Directorate-General for Translation of the European Commission, the Commission takes care of the translation into the official languages according to their own translation process. The translation covers only the contents of the IFRS Standards as endorsed by the European Union (the standard and mandatory guidance) – which is what is then published in the <i>Official Journal of the European Union</i>. 2. The Instituto dos Auditores Independentes do Brasil (IBRACON) translates all IFRS Standards into Brazilian Portuguese with the permission of the IFRS Foundation. The translation process ensures an ongoing translation of the continuous updates of the standards.

APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs?	No.
If no, is the adoption of the IFRS for SMEs Standard under consideration?	No.
Did the jurisdiction make any modifications to the IFRS for SMEs Standard?	Not applicable.

If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
Which SMEs use the IFRS for SMEs 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 IFRS for SMEs Standard, what other accounting framework do they use?	<p>All companies other than (a) banks and other financial institutions regulated by the National Bank of Angola and (b) insurance companies and pension funds regulated by the Angolan Agency for Insurance Regulation and Supervision (ARSEG) are required to prepare their financial statements in conformity with the Angolan Accounting Law and the General Accounting Plan (PGC) that was adopted by Presidential Decree 82/01 of 16 November 2001.</p> <p>Link to the PGC (in Portuguese): http://www.gcl.co.ao/gca/index.php?id=92</p>
Other comments regarding use of the IFRS for SMEs Standard?	None.