

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: Georgia



Disclaimer: The information in this Profile is for general guidance only and may change from time to time. You should not act on the information in this Profile, and you should obtain specific professional advice to help you in making any decisions or in taking any action. If you believe that the information has changed or is incorrect, please contact us at ifrsapplication@ifrs.org.

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

The purpose of the IFRS Foundation's Jurisdictional Profiles is to illustrate the extent of implementation of IFRS Standards across the globe only. The Profiles do not reflect the intellectual property licensing status of IFRS Standards within any given jurisdiction. The IFRS Standards are protected by copyright and are subject to different licensing arrangements according to jurisdiction. For further information, please contact Licences@ifrs.org.

Profile last updated: 8 February 2017

RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Georgian Federation of Professional Accountants and Auditors (GFPAA)
Role of the organisation	The GFPAA is responsible for translating IFRS into Georgia and publishing them, as well as promoting the use of IFRS in Georgia.
Website	http://gfpaa.ge/site/ka/home.html
Email contact	zlalazashvili@gfpaa.ge

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

What is the jurisdiction's status of adoption?	Georgia has already adopted IFRS Standards for all companies. Smaller companies are permitted to use the IFRS for SMEs Standard.
Additional comments provided on the adoption status?	IFRS Standards (known as IASs at that time) were adopted by law in Georgia effective in 2000.
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.
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?	Required.
For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?	Required for some and permitted for others. Banks, insurance companies, stock exchanges, security issuers, and investor institutions are required to prepare financial statements using full IFRS Standards and to submit those financial statements to the National Bank of Georgia. Other companies are permitted to use full IFRS Standards or, alternatively, they may use the IFRS for SMEs Standard.
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.

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.

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 Board, ie standards and amendments are adopted/endorsed as and when issued by the IASB Board.

The auditor's report and/or the basis of presentation footnotes 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 Standards and the jurisdiction's GAAP)? No.

Are IFRS Standards incorporated into law or regulations? Yes.

If yes, how does that process work? The Law on the Regulation of Accounting and Financial Reporting dated 5 February 1999 (the Accounting Law) states that 'all legal entities, except small enterprises, are required to prepare their financial statements in conformity with International Accounting Standards (IASs) and temporary accounting standards'. The Accounting Law was supplemented in 2005 by Regulation No. 11 dated 6 April 2005, which adopted IFRS Standards issued by the International Accounting Standards Board as the accounting framework applicable in Georgia. The law was amended subsequently to adopt the IFRS for SMEs Standard.

If no, how do IFRS 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 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? The law requires use of IFRS Standards, which includes new or amended IFRS Standards when and as issued by the IASB Board.

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, IFRS Standards are translated into Georgian and the translation is provided / coordinated by the IFRS Foundation. Currently, The 2010 Red Book is available in Georgian. Translation of 2014 IFRS Standards is in process.

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? IFRS Standards are translated and published once every two years.

APPLICATION OF THE IFRS FOR SME STANDARDS

Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs? Yes, Georgia has adopted the IFRS for SMEs Standard.

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

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

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? All SMEs are required to use the IFRS for SMEs Standard, unless they are required to or choose to use full IFRS Standards.

For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use? Full IFRS Standards.

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