

## IFAC MEMBER BODY COMPLIANCE PROGRAM

### Basis of ISA Adoption by Jurisdiction



#### Summary

Required by Law or Regulation	11
ISAs are adopted	32
National Standards are the ISAs	28
Other	55
(refer to specific notes)	
<b>TOTAL (Countries and Jurisdictions)</b>	<b>126</b>

Information gathered from the IFAC Member Body [Compliance Program](#) indicates that International Standards on Auditing (ISAs) as issued by the International Auditing and Assurance Standards Board (IAASB) have been adopted around the world. This section of the IFAC Compliance Program website provides information about the basis used by different jurisdictions in adopting the ISAs as well as additional notes gathered from the Compliance Program and other sources including [World Bank ROSC Reports](#).

Adoption of international standards is an ongoing process. The table and notes will be periodically updated as new information is received. Please note that this information has not been subjected to independent verification (see [Disclaimer](#) at the end of this document).

### ISA Adoption Approaches

The following basis of ISA adoption has been used in preparing the table below:

- *Required by Law or Regulation* – Country law or regulation requires the use of ISAs as issued by the International Auditing and Assurance Standards Board (IAASB) in the auditing of general purpose financial statements.
- *ISA are Adopted* – A national standard-setter has adopted ISAs as the audit standards to be used in the country (there are no separate local auditing standards).
- *National Standards are the ISAs* - While ISAs have generally been adopted as the local standards, there may be national modifications to them but changes, if any, are stated to be in line with the spirit of [IAASB Modifications Policy](#).
- *Other* – In some circumstances, available information is not adequate to evaluate whether the local adoption process, including the [translation of ISAs](#) into the local language, is reasonably up to date with translation lags of a year. In other cases, where a jurisdiction indicates that the local generally accepted auditing standards is "based on" or "similar to" the ISAs, it is not clear whether modifications to or other differences from the ISAs meet the requirements of the IAASB Modifications Policy. Finally, there are some countries which have declared convergence with ISAs as an objective but still have a way to go in achieving this objective. The explanatory notes provide insights into the adoption process.



## Basis of ISA Adoption by Jurisdiction

### Updates

To the extent a reader is aware of updated information or the need for other corrections or clarifications to the table and notes, please contact the IFAC [Compliance Staff](#).

BASIS OF ISA ADOPTION BY JURISDICTION					
Notes	Country	Law / Regulation	ISAs Adopted	National Standards are ISAs	Other
1.	<a href="#">Albania</a>			✓	
2.	<a href="#">Argentina</a>				✓
3.	<a href="#">Armenia</a>				✓
4.	<a href="#">Australia</a>			✓	
5.	<a href="#">Austria</a>				✓
6.	<a href="#">Azerbaijan Republic</a>				✓
7.	<a href="#">Bahamas</a>		✓		
8.	<a href="#">Bahrain</a>				✓
9.	<a href="#">Bangladesh</a>			✓	
10.	<a href="#">Barbados</a>		✓		
11.	<a href="#">Belgium</a>				✓
12.	<a href="#">Bolivia</a>				✓
13.	<a href="#">Bosnia and Herzegovina (Republic Srpska)</a>		✓		
14.	<a href="#">Botswana</a>		✓		
15.	<a href="#">Brazil</a>				✓
16.	<a href="#">Bulgaria</a>	✓			
17.	<a href="#">Cambodia</a>				✓

## Basis of ISA Adoption by Jurisdiction

BASIS OF ISA ADOPTION BY JURISDICTION					
Notes	Country	Law / Regulation	ISAs Adopted	National Standards are ISAs	Other
18.	<a href="#">Cameroon</a>				✓
19.	<a href="#">Canada</a>		✓		
20.	<a href="#">Cayman Islands</a>				Refer note
21.	<a href="#">Chile</a>			✓	
22.	<a href="#">China</a>			✓	
23.	<a href="#">Chinese Taiwan</a>				✓
24.	<a href="#">Colombia</a>				✓
25.	<a href="#">Costa Rica</a>	✓			
26.	<a href="#">Croatia</a>				✓
27.	<a href="#">Cyprus</a>	✓			
28.	<a href="#">Czech Republic</a>		✓		
29.	<a href="#">Denmark</a>			✓	
30.	<a href="#">Dominican Republic</a>		✓		
31.	<a href="#">Egypt</a>				✓
32.	<a href="#">El Salvador</a>				✓
33.	<a href="#">Estonia</a>	✓			
34.	<a href="#">Fiji</a>				✓
35.	<a href="#">Finland</a>			✓	
36.	<a href="#">France</a>			✓	

## Basis of ISA Adoption by Jurisdiction

BASIS OF ISA ADOPTION BY JURISDICTION					
Notes	Country	Law / Regulation	ISAs Adopted	National Standards are ISAs	Other
37.	<a href="#">Georgia</a>		✓		
38.	<a href="#">Germany</a>			✓	
39.	<a href="#">Ghana</a>				✓
40.	<a href="#">Greece</a>				✓
41.	<a href="#">Guatemala</a>		✓		
42.	<a href="#">Guyana</a>		✓		
43.	<a href="#">Haiti</a>				✓
44.	<a href="#">Honduras</a>	✓			
45.	<a href="#">Hong Kong</a>			✓	
46.	<a href="#">Hungary</a>		✓		
47.	<a href="#">Iceland</a>				✓
48.	<a href="#">India</a>			✓	
49.	<a href="#">Indonesia</a>				✓
50.	<a href="#">Iran</a>				✓
51.	<a href="#">Iraq</a>				✓
52.	<a href="#">Ireland</a>		✓		
53.	<a href="#">Israel</a>			✓	
54.	<a href="#">Italy</a>				✓
55.	<a href="#">Ivory Coast</a>				✓
56.	<a href="#">Jamaica</a>		✓		

## Basis of ISA Adoption by Jurisdiction

BASIS OF ISA ADOPTION BY JURISDICTION					
Notes	Country	Law / Regulation	ISAs Adopted	National Standards are ISAs	Other
57.	<a href="#">Japan</a>				✓
58.	<a href="#">Jordan</a>			✓	
59.	<a href="#">Kazakhstan</a>		✓		
60.	<a href="#">Kenya</a>		✓		
61.	<a href="#">Korea</a>			✓	
62.	<a href="#">Kosovo</a>				✓
63.	<a href="#">Kuwait</a>				✓
64.	<a href="#">Kyrgyzstan</a>				✓
65.	<a href="#">Latvia</a>	✓			
66.	<a href="#">Lebanon</a>				✓
67.	<a href="#">Lesotho</a>		✓		
68.	<a href="#">Liberia</a>		✓		
69.	<a href="#">Lithuania</a>				✓
70.	<a href="#">Luxembourg</a>		✓		
71.	<a href="#">Madagascar</a>				✓
72.	<a href="#">Malawi</a>		✓		
73.	<a href="#">Malaysia</a>			✓	
74.	<a href="#">Malta</a>	✓			
75.	<a href="#">Mauritius</a>	✓			

## Basis of ISA Adoption by Jurisdiction

BASIS OF ISA ADOPTION BY JURISDICTION					
Notes	Country	Law / Regulation	ISAs Adopted	National Standards are ISAs	Other
76.	<a href="#">Mexico</a>			✓	
77.	<a href="#">Moldova</a>				✓
78.	<a href="#">Mongolia</a>				✓
79.	<a href="#">Montenegro</a>				✓
80.	<a href="#">Morocco</a>				✓
81.	<a href="#">Namibia</a>		✓		
82.	<a href="#">Nepal</a>				✓
83.	<a href="#">Netherlands</a>			✓	
84.	<a href="#">New Zealand</a>		✓		
85.	<a href="#">Nicaragua</a>				✓
86.	<a href="#">Nigeria</a>			✓	
87.	<a href="#">Norway</a>			✓	
88.	<a href="#">Pakistan</a>			✓	
89.	<a href="#">Panama</a>		✓		
90.	<a href="#">Papua New Guinea</a>		✓		
91.	<a href="#">Paraguay</a>				✓
92.	<a href="#">Peru</a>				✓
93.	<a href="#">Philippines</a>			✓	
94.	<a href="#">Poland</a>			✓	

## Basis of ISA Adoption by Jurisdiction

BASIS OF ISA ADOPTION BY JURISDICTION					
Notes	Country	Law / Regulation	ISAs Adopted	National Standards are ISAs	Other
95.	<a href="#">Portugal</a>			✓	
96.	<a href="#">Romania</a>	✓			
97.	<a href="#">Russia</a>				✓
98.	<a href="#">Saudi Arabia</a>				✓
99.	<a href="#">Senegal</a>				✓
100.	<a href="#">Serbia</a>		✓		
101.	<a href="#">Sierra Leone</a>				✓
102.	<a href="#">Singapore</a>			✓	
103.	<a href="#">Slovakia</a>	✓			
104.	<a href="#">Slovenia</a>	✓			
105.	<a href="#">South Africa</a>		✓		
106.	<a href="#">Spain</a>				✓
107.	<a href="#">Sri Lanka</a>				✓
108.	<a href="#">Swaziland</a>		✓		
109.	<a href="#">Sweden</a>			✓	
110.	<a href="#">Switzerland</a>			✓	
111.	<a href="#">Tanzania</a>		✓		
112.	<a href="#">Thailand</a>			✓	
113.	<a href="#">Trinidad and Tobago</a>		✓		

## Basis of ISA Adoption by Jurisdiction

BASIS OF ISA ADOPTION BY JURISDICTION					
Notes	Country	Law / Regulation	ISAs Adopted	National Standards are ISAs	Other
114.	<a href="#">Tunisia</a>			✓	
115.	<a href="#">Turkey</a>				✓
116.	<a href="#">Uganda</a>		✓		
117.	<a href="#">Ukraine</a>				✓
118.	<a href="#">United Arab Emirates</a>				Refer note
119.	<a href="#">United Kingdom</a>		✓		
120.	<a href="#">United States</a>				✓
121.	<a href="#">Uruguay</a>				✓
122.	<a href="#">Uzbekistan</a>				✓
123.	<a href="#">Venezuela</a>				✓
124.	<a href="#">Vietnam</a>				✓
125.	<a href="#">Zambia</a>		✓		
126.	<a href="#">Zimbabwe</a>		✓		
SUBTOTALS		11	32	28	55

### Notes to Basis of ISA Adoption by Jurisdiction

1. **Albania** – In 2008 the Institute of Authorized Chartered Auditors of Albania (IEKA) Council updated the translation of ISAs in the Albanian language. As of 2008 most standards and other pronouncements of IFAC that were in force starting from January 2007 have been adopted without modifications. IEKA has established an ongoing process that includes translation review and publication of new standards in the IEKA professional magazine on accountancy Accounting Finance and Auditing.

### Notes to Basis of ISA Adoption by Jurisdiction

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2. **Argentina** – The Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE) has responsibility for establishing and developing auditing standards with local Professional Councils in Argentina and other regulatory bodies (e.g., securities market regulator). In its published Part 3, Action Plan, FACPCE outlines an adoption program of the IAASB pronouncements for 2008 and 2009. ISAs are currently not adopted in Argentina.

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  3. **Armenia** – The Association of Accountants and Auditors of Armenia (AAAA) indicated that the Law of Republic of Armenia on Audit requires all audits to be carried out using Standards on Audit of the Republic of Armenia (SARA), which are based on ISAs. The Ministry of Finance (MOFE) has sole responsibility for adopting and promulgating the auditing standards for listed and non-listed entities in Armenia. The Central Bank of Armenia has the power to create additional requirements for the audit of banks and other financial institutions. Existing SARA are based on ISAs from the year 2000. According to AAAA, the MOFE and AAAA are currently seeking funding to carry out a translation of current ISAs into the Armenian language.

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  4. **Australia** – Section 227B of The Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004 establishes the Auditing and Assurance Standards Board (AUASB) as the independent statutory body, which, under section 227B of the Australian Securities and Investments Commission Act 2001, may formulate guidance on auditing and assurance matters. The AUASB has a clear statement as to its convergence objectives, notably, using ISAs, as appropriate, as a basis for Australian Auditing Standards (ASAs)—with amendments to ISAs as necessary for the regulatory/statutory environment. In line with the strategic direction provided by the Financial Reporting Council, the AUASB is currently revising and redrafting the ASAs. The revised and redrafted ASAs will use the equivalent ISAs as the underlying standard and will conform with the equivalent ISAs issued by the IAASB. The revised and redrafted ASAs are expected to be operative for audits of financial reports with reporting periods commencing on or after 1 January 2010.

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  5. **Austria**<sup>1</sup> – Austrian Financial Reporting and Auditing Committee (AFRAC) established in 2004 has the responsibility for accounting and auditing standard setting in Austria. In general, audits are still conducted using national auditing standards (i.e. legal regulations of the Austrian Commercial Code and expert opinions (standards) of the KdW - Austrian Institute of Auditors. Application of ISAs is permitted; however, in case on conflicts between ISAs and national auditing standards, the latter prevail. In matters not regulated by national standards ISAs apply.

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  6. **Azerbaijan** – According to the 2006 World Bank ROSC Accounting and Auditing report, national auditing standards are effectively an abbreviated, incomplete version of ISAs. Some of the important provisions contained in the international auditing standards are
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<sup>1</sup> The Company Law Directive on statutory audit (Directive 2006/43/EC of the European Parliament and the Council) allows the European Commission to adopt ISAs for the application in EU. Audits of annual accounts or consolidated accounts required under Community law shall be carried out in accordance with these standards adopted by the Commission. With the agreement of Audit Regulatory Committee (AuRC), the European Group of Auditors' Oversight Bodies (EAOB) agreed to create a subgroup on ISAs in December 2005. This group assists the Commission in the adoption process in accordance with in accordance with Decision 1999/468/EC.

### Notes to Basis of ISA Adoption by Jurisdiction

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- either omitted or modified. Based on the exchange of information as part of the IFAC Compliance Program, the Chamber of Auditors of Azerbaijan Republic (CAAR) Council decided on August 30, 2005 to move to full implementation of ISAs. In order to maintain this process, a memorandum has been signed with IFAC for translation and issuance of ISAs in the national language by 2009.
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7. **Bahamas** – The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements).
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8. **Bahrain** – The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements). The Auditor Affairs Committee and Auditors Disciplinary Board, appointed by the Ministry of Commerce, have the responsibility for establishing auditing standards.
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9. **Bangladesh** – The Institute of Chartered Accountants of Bangladesh (ICAB) has responsibility for setting auditing standards. ICAB's Technical and Research Committee adopts ISAs as Bangladesh Standards on Auditing (BSAs) with limited modifications due to local laws. ICAB has adopted its own clarity project whereby all Statements on Auditing Standards will be redrafted using the format of the IAASB and will be based on and consistent with IAASB standards (ISAs and ISQC 1) and in line with the IAASB Modification Policy.
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10. **Barbados** – The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements).
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11. **Belgium<sup>1</sup>** – The Institut des Réviseurs d'Entreprises (IRE) translates and compares the ISAs with national standards to eliminate differences and submits the draft standards for approval to the Minister of Economy. National standards incorporate the content of the ISAs that were issued before October 2003, with modifications, but ISA 220 was not included among these standards. There is an ongoing translation process.
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12. **Bolivia** – According to the 2006 Inter-American Development Bank (IDB) Donor's Memorandum, the existing accounting and auditing framework in Bolivia is incomplete. Bolivia has approved just five auditing standards and none of the Bolivian standards are consistent with the International Standards on Auditing (ISAs) promulgated by the International Auditing and Assurance Standards Board. Therefore, in March 2006, the IDB approved the funding for a project to aid the adoption of International Financial Reporting Standards and ISAs in Bolivia. The project is in progress.
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13. **Bosnia and Herzegovina (Republic Srpska)** – The Law on Accounting and Auditing of the Republic of Srpska refers to ISAs as the auditing standards to be used in the audit of public interest entities. The application of ISAs is mandatory as of January 1, 2006. According to the State Framework Law on Accounting and Auditing of Bosnia Herzegovina, the Accounting and Auditing Commission of Bosnia Herzegovina (the Commission) has responsibility for translating and issuing the ISAs. The World Bank ROSC Accounting and Auditing report indicates that AAARS translated all ISAs in 1999 and, according to the Country Action Plan, new and amended ISAs were translated and published in 2005. AAARS has indicated that it follows the IFAC translation policy.
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### Notes to Basis of ISA Adoption by Jurisdiction

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14. **Botswana** – The Companies Act requires direct use of ISAs as issued by the IAASB and adopted in Botswana by the Botswana Institute of Accountants (BIA)<sup>2</sup>. No modifications are made.
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15. **Brazil** – In Brazil, although there seems to be no clear legal mandate for either Conselho Federal da Contabilidade (CFC) or IBRACON to set auditing standards, the national auditing standards were essentially developed and issued by CFC in co-operation with IBRACON. It seems that the standards issued by CFC and IBRACON are recognized as Generally Accepted Auditing Standards in Brazil. CFC and IBRACON indicated that their standards are based on ISAs and there is a process to eliminate differences. More recently, there have been regulatory moves that will open the road to convergence with ISAs (law 11.638). In addition, CFC has established a committee (Comitê de Pronunciamentos Contábeis (CPC)) which, in performing its duties, must take into consideration convergence of the Brazilian standards to the international standards. Further, a comparison of the Brazilian auditing standards (Normas Brasileiras de Contabilidade) to IFAC standards is being performed and is expected to be completed by September 2009.
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16. **Bulgaria**<sup>1</sup> – The Institute of Certified Public Accountants (ICPAB) has the responsibility for translation and promulgation of ISAs that are adopted directly by the Independent Financial Audit Act in Bulgaria. ICPAB has established a due process for translation in accordance with the IFAC Translation Policy. The IAASB's Handbook is translated every year with a 6-month period needed to finalize the process after each year's Handbook is published in English.
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17. **Cambodia** – According to the 2007 World Bank ROSC, Cambodia Auditing Standards, which are based on International Standards on Auditing, are not up to date. Cambodia Standards on Auditing correspond to the version of ISA released by IFAC in 2002. The Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) promotes to the National Accounting Council (the accounting and auditing standard setter) the need for the adoption of ISAs by 2009-2010.
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18. **Cameroon** – The Ordre National des Experts Comptables du Cameroun (ONECCA) has responsibility for adopting and promulgating the auditing standards to be used for listed and non-listed entities. However, it appears that ONECCA has not adopted the IAASB pronouncements as yet. In practice, English-speaking auditors use the version of the IAASB pronouncements that was in force in September 2005, whereas French-speaking auditors use the 1998 version of the IFAC Handbook that was translated by Fédération Internationale des Experts-Comptables Francophones (FIDEF). ONECCA informs its members about new and revised IAASB pronouncements and supports the implementation of the standards through seminars. ONECCA has indicated that it plans to officially adopt IAASB pronouncements.
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19. **Canada** – The Auditing and Assurance Standards Board (AASB) is adopting ISAs as
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<sup>2</sup> Eastern, Central, and Southern Africa Federation of Accountants (ECSAFA) - ECSAFA issued a resolution, effective January 2001, requiring its members (national accountancy organizations) to adopt resolutions for all companies to comply in full with issued IFRS and all auditors to comply in full with issued International Standards on Auditing. This adoption requirement is often in addition to other national regulatory requirements for use of IFRSs or ISAs.

### Notes to Basis of ISA Adoption by Jurisdiction

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Canadian Auditing Standards (CASs). The CASs will become GAAS (Generally Accepted Auditing Standards) in Canada effective for the audits of financial statements for periods ending on or after December 14, 2010.

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20. **Cayman Islands** – There are no laws or regulations in the Cayman Islands that prescribe the auditing standards to be applied in the audits of listed or non-listed entities. In practice, the auditing standards applied by individual firms in particular instances will depend upon the governing accounting principles. In the Cayman Islands, most audits are conducted under US GAAP (Generally Accepted Accounting Principles) or IFRS (International Financial Reporting Standards). The governing auditing standards are usually US GAAS or ISAs.

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  21. **Chile** – According to the World Bank ROSC Accounting and Auditing report, Chilean auditing standards are well developed but are not up-to-date vis-à-vis ISAs in several key areas. Section 101 of the Chilean auditing standards stipulates that, in the absence of a national standard covering a specific matter, auditors should apply the relevant ISA.

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  22. **China** – At the end of 2005, China signed a joint statement with the IAASB to incorporate ISAs in Chinese Auditing Standards and has an ongoing commitment to convergence with Clarity ISAs. This process is at an advanced stage with the final new set of Chinese Auditing Standards (incorporating the clarified ISAs) expected to be approved by the Chinese Ministry of Finance in June 2010.

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  23. **Chinese Taiwan** – Law requires the use of Taiwan Auditing Standards with no reference to ISAs. However, there is a process to incorporate ISAs into national standards.

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  24. **Colombia** – According to the 2003 World Bank ROSC, There are no legally binding financial statement audit standards in Colombia. Law 43 of 1990 requires the revisor fiscal to conduct work in accordance with Colombian GAAP, but it does not specify any other auditing standards or procedures. It provides only one page of general guidance on auditing requirements.

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  25. **Costa Rica** – For listed entities, the law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements). The only available information is the one-time publication of the standards in Spanish in the official newspaper La Gaceta. This information includes the titles of the adopted auditing standards and their effective dates. The Colegio de Contadores Públicos de Costa Rica (CCPC) has plans to strengthen the convergence process and actual implementation of the standards.

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  26. **Croatia** – As the public authority representing auditors, the Croatian Audit Chamber has responsibilities with regards to auditing standards and convergence with IAASB pronouncements. According to the Audit Act, the Croatian Audit Chamber is responsible for the translation and publication of ISAs in the Croatian Official Gazette. At this stage, the Chamber has not translated and published ISAs and due to the fact that the full set of ISAs will become effective only after they are published in the Official Gazette, there are currently no auditing standards in effect in Croatia. However, the professional body is progressing with a first translation of the standards and the
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### Notes to Basis of ISA Adoption by Jurisdiction

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implementation of an ongoing process with ISAs.

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27. **Cyprus**<sup>1</sup> – Audits of listed companies are required to use ISAs by Stock Exchange Regulations. The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements). For non-listed entities, the IFAC member body's Council requires the use of ISAs.
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28. **Czech Republic**<sup>1</sup> – Under the Czech law, the Chamber of Auditors of the Czech Republic (CACR) has responsibility for setting auditing standards. CACR set national standards based on ISAs until 2004, when it decided to adopt all ISAs without changes, in recognition of likely adoption of the standards by the EU. Since 2004, CACR annually provides all its members (free of charge) with an electronic version of the current IAASB Handbook translated into Czech.
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29. **Denmark**<sup>1</sup> – Foreningen af Statsautoriserede Revisorer has responsibility for setting auditing standards. IAASB pronouncements are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements.
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30. **Dominican Republic** – According to the 2004 World Bank ROSC Accounting and Auditing report, International Standards on Auditing (ISA) are compulsory for all financial statement audits in all companies in the Dominican Republic. Since the official adoption of ISAs in 1999, all previous technical bulletins issued by the Instituto de Contadores Públicos Autorizados de la República Dominicana (ICPARD) have been withdrawn. The environment within which financial statement audits are carried out in the DR is not conducive to strict compliance with ISAs. There are systemic weaknesses that create difficulties or disincentives in complying with ISAs.
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31. **Egypt** – The Egyptian Society of Accountants & Auditors (ESAA), in cooperation with Capital Market Authority (CMA), has drafted the Egyptian Standards on Auditing Review and Other Assurance Services (ESAROAS) on IAASB pronouncements. In July 2008, the Minister of Investment issued decision No.166/2008 to apply the ESAROAS with regards to all engagements performed by the auditors of listed entities registered on the CMA register. No information is available as to the completeness of ISAs incorporated into ESAROAS.
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32. **El Salvador** – Auditors in El Salvador are required by the Accounting and Auditing Monitoring Board (*Consejo de Vigilancia de la Profesión de Contaduría Pública y de Auditoría* or CVCA), which was established in 2000 under amendments to the Code of Commerce (1970), to apply ISAs for all financial statement audits. The CVCA adopted ISAs in 2000; however, there is no information available as to the completeness and version of ISAs adopted.
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33. **Estonia**<sup>1</sup> – The law/regulation contains the basic principles and essential procedures of the IAASB pronouncements. The Management Board of the Estonian Auditor Board (EAB) produces Auditing Guidelines which are in essence the ISAs. The proposed Auditing Guidelines are submitted to the general meeting of the Board of Auditors for
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### Notes to Basis of ISA Adoption by Jurisdiction

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consent and then to the Minister of Finance for approval.

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34. **Fiji** – The Fiji Institute of Accountants (FIA) has formally established a policy of convergence with IAASB pronouncements and the 2001 version has at least been adopted. The ISAs were reviewed against the Fiji standards with FIA having a plan to adopt the ISAs in place of Fiji Standards on Auditing by July 1, 2008.
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35. **Finland<sup>1</sup>** – IAASB pronouncements are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements.
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36. **France<sup>1</sup>** – According to French legislation the Compagnie Nationale des Commissaires aux Comptes (CNCC) establishes the auditing standards, which are endorsed by the Minister of Justice. Based on information from the CNCC, there are ISA convergence activities occurring within France characterized as “IAASB pronouncements being adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements.” There is an ongoing translation process.
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37. **Georgia** – As per ROSC 2007, Georgian auditors and audit firms are obliged to use International Standards on Auditing as promulgated by the IAASB. The Audit Council sets out that ISAs are automatically approved for Georgia when they are released by the IAASB. The proposed draft law on Accounting and Audit confirms the adoption of ISAs. Thus, ISAs do not need to be translated to be legally binding in Georgia. The translation simply follows and the individual auditor has the duty to inform himself of recent changes in ISAs.
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38. **Germany<sup>1</sup>** – Specific auditing standards are promulgated by the Institut der Wirtschaftsprüfer (IDW). IAASB pronouncements are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements. National standards were created based upon a line-by-line analysis of the ISAs. Differences result from legal and regulatory requirements and professional practice.
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39. **Ghana** – Law/regulation contains the basic principles and essential procedures of the IAASB pronouncements; however, it is not certain whether the principles and essential procedures of the current ISAs have been incorporated. Ghana Auditing Standards are established by the Ghana National Auditing Standards Board, which is a part of the Institute of Chartered Accountants (Ghana).
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40. **Greece<sup>1</sup>** – The Greek Accounting and Auditing Oversight Board (ELTE) has responsibility for establishing the auditing standards to be used in the audit of listed and non-listed entities in accordance with the law (Law 2190/1920). The standard setter has established convergence with IAASB pronouncements as an objective. The ISAs currently in Greek law are based on ISAs as issued at the end of 2004. It is our understanding that where an ISA has been adopted, only the principles (bold letter) requirements of the ISAs are incorporated. ELTE, with assistance from the Institute of Certified Public Accountants of Greece (SOEL), are currently translating the Clarity ISAs into Greek for eventual adoption into Greek law or EU law, as appropriate.
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41. **Guatemala** – Guatemalan Generally Accepted Auditing Standards (GAAS) are set by the Professional Council of Economic Sciences (Colegio Profesional de las Ciencias
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### Notes to Basis of ISA Adoption by Jurisdiction

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- Economicas) of the Instituto Guatemalteco de Contadores Públicos y Auditores (IGCPA). The IGCPA published a resolution to adopt ISAs which took effect for all audits conducted in 2008 and onward. The resolution also required all new and revised ISAs will be adopted in Guatemala immediately upon their effective date.
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42. **Guyana** – The Institute of Chartered Accountants of Guyana (ICAG) adopts ISAs as issued by the IAASB without amendments.
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43. **Haiti** – According to 2008 ROSC, there are currently no national auditing standards for audits in the private sector in Haiti, except for some references in the Banking Law applicable to the financial sector. The banking circular 61-1 of March 25, 1998 stipulates that, pending the establishment of national auditing standards, bank auditors must conduct their functions following international auditing standards. According to Ordre des Comptables Professionels Agrées d’Haiti (OCPAH), given its membership in IFAC, members are recommended to apply the International Standards on Auditing (ISAs). However, this is not mandatory, and there is no monitoring of the compliance with ISAs.
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44. **Honduras** – According to the 2007 ROSC, there is currently no Honduran auditing standards for non-statutory audits in the private sector; statutory audits as required by National Banking and Insurance Commission (CNBS) regulations must be in accordance with ISAs. International audit firms in Honduras generally apply ISAs in their audits. However, pursuant to the audit and accounting Law, ISAs will be compulsory for all financial statement audits in Honduras for periods beginning in January 2008.
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45. **Hong Kong** – Under the Professional Accountants Ordinance, the Council of the Hong Kong Institute of Certified Public Accountants (HKICPA) is empowered to set Auditing and Assurance Standards. The responsibility is delegated to the HKICPA Auditing & Assurance Standards Committee (AASC). The HKICPA website has a due process and work program that is linked to the IAASB work program—with proposed HK Auditing Standards of the equivalent ISA, taking into account statutory and other Hong Kong conditions. The process includes: 1. Renaming ISAs as HK standards. 2. Footnotes or appendices are added where appropriate by the HKICPA’s Auditing and Assurance Standards Committee to provide local guidance or reflect local legislation. 3. Apply same effective date as the ISAs.
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46. **Hungary**<sup>1</sup> – The Chamber of Hungarian Auditors (CHA) has responsibility for establishing the auditing standards for listed and non-listed entities in Hungary according to Act 55 of 1997. CHA has adopted auditing standards (the Hungarian National Standards on Auditing), which contain the text of IAASB pronouncements. The standards are translated into Hungarian in accordance with the IFAC Translation Policy. The Chamber has indicated that it has established a process to adopt new and amended IAASB pronouncements and to communicate them to its members.
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47. **Iceland** – Laws/regulations do not explicitly give authority to Felag Loggiltra Endurskodenda (FLE) to establish the auditing standards, however, this practice as well as International Auditing Standards are recognized as being a basis for "good auditing practice," which many law texts refer to.
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48. **India** – The Auditing and Assurance Standards Board (AASB) of the Institute of
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### Notes to Basis of ISA Adoption by Jurisdiction

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Chartered Accountants of India (ICAI) develops Auditing and Assurance Standards (AAS) on the basis of ISAs and recognizes the value of continuing adoption of standards. The AASB has undertaken a project on comparison of all AASs versus current versions of ISAs to examine any significant differences. A convergence work plan (dated October 2008) is provided on the Institute of Chartered Accountants of India's website.

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49. **Indonesia** – The Indonesian Institute of Accountants or Ikatan Akuntan Indonesia (IAI) is in the process of adapting IAASB pronouncements as national standards. IAI is still doing some research on how these standards would be implemented and also trying to translate them to the national language. There is a plan to adopt IAASB pronouncements as issued in the 2009 IAASB Handbook.

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50. **Iran** – Existing professional standards in Iran are based on IAASB pronouncements with local adaptation as necessary and are legally binding. The Audit Organization (official standard setter) started translating ISAs in the early 1990s. Localized versions of these translations were issued as exposure drafts (EDs) and after due process of standard setting were published in early 2000.

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51. **Iraq** – The Iraq Interim Law on Securities Markets (adopted 18 April 2004) requires: “The financial statements shall be accompanied by a signed copy of the independent auditor's audit report indicating that they have been audited in accordance with international auditing standards to the extent permissible under the standards in force in Iraq and that they represent a true and fair view of the Company's financial results.”

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52. **Ireland**<sup>1</sup> – Auditing standards are the responsibility of the Financial Reporting Council, through its Auditing Practices Board (APB). In December 2004, the APB released ISAs (UK and Ireland) with the same titles as ISAs issued by the IAASB and has been actively involved in the Clarity Project. The APB decided to adopt the clarified ISAs in the UK and Ireland. The proposed new ISAs (UK and Ireland) will adopt the new ISAs as issued by the IAASB with some supplementary requirements and guidance. Supplementary material will be proposed where considered necessary to: (a) Address specific UK and Irish legal and regulatory requirements, (b) Provide other guidance relating to legal and regulatory matters relevant to an audit, and (c) Maintain other current APB requirements and guidance that are, in the APB's view, necessary to prevent changes in audit practice to the detriment of audit quality. Because of the improvements in the clarified ISAs, the quantity of supplementary material is expected to be reduced significantly from that in the current ISAs (UK and Ireland).

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53. **Israel**<sup>1</sup> – The Israel Auditing Standards Committee is responsible for ongoing review of the IAASB pronouncements and recommending the IAASB pronouncements for adoption by the Institute of Certified Public Accountants in Israel (ICPAI). IAASB pronouncements are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements.

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54. **Italy**<sup>1</sup> – The ISAs are adapted in Italy as the Italian Auditing Standards and recommended by the Italian stock exchange regulator Commissione Nazionale per le Società e la Borsa (CONSOB) to the auditing firms for use in audit of financial statements of listed companies.

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### Notes to Basis of ISA Adoption by Jurisdiction

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55. **Ivory Coast** – The West African Regional Body has responsibility but is not functioning. ISAs as translated by Fédération Internationale des Experts Comptables Francophones (FIDEF) are used in practice. Ordre des Experts Comptables et Comptables Agréés de Côte d'Ivoire (OECCA-CI) has taken the initiative, in absence of the official convergence position by the regional standard setter. In its Action Plan, published in December 2008, OECCA-CI indicated that national auditing standards based on ISAs are to be approved by the OECCA-CI's Board and forwarded to the Conseil National de Comptabilité (CNC) for official approval in October 2009 to become effective as of January 1, 2010.
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56. **Jamaica** – The Institute of Chartered Accountants of Jamaica (ICAJ), adopts ISAs as issued by the IAASB without amendments.
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57. **Japan** – Japanese Generally Accepted Auditing Standards (GAAS) are based on ISAs and are the product of two organizations - Auditing Standards codified by the Business Accounting Council (an advisory body established within the Financial Services Agency (FSA)) together with implementation guidance issued by the Japanese Institute of Certified Public Accountants (JICPA).
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58. **Jordan** – The Jordanian laws refer to Generally Accepted International Standards approved by an authorized party. The Jordanian Association of Certified Public Accountants (JACPA) is the sole professional body that can recommend the adoption of the standards to the higher committee of accounting professions, which authorized the implementation of ISAs. In 2003, a new Accountancy Profession Law 73/2003 established the High Council for Accounting and Auditing, which is responsible for the oversight of the auditing profession and for approval of accounting and auditing standards. According to the 2004 ROSC, applying ISAs is mandatory for all auditors providing service to listed companies. ISAs are not widely available, and many audit practitioners do not have access to ISA-based practice manuals.
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59. **Kazakhstan** – As per ROSC 2007, the Chamber of Auditors (COA) adopted 6 Kazakh Standards on Auditing (KSA), based on ISAs, in 1998, an additional 6 in 1999, and 36 revised KSA in 2000. However, the Ministry of Finance approved only 11 of these, resulting in an auditing regime that fell significantly short of ISAs. Consequently, there was and is a great deal of confusion among auditors with regard to which standards should be applied: those approved by the Ministry of Finance only, the full set, as adopted by the COA, or current ISAs. The new Audit Law, enacted in May 2006, requires audits to be performed in accordance with ISAs. In April 2006, the Ministry of Finance funded the translation of ISAs into Russian and Kazakh in cooperation with the Chamber of Auditors. Currently, the Chamber of Auditors is translating 2008 ISAs.
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60. **Kenya**<sup>2</sup> – The Companies Act, which is the law regulating companies, requires that all companies prepare financial statements and have their financial statements audited. The Institute of Certified Public Accountants of Kenya (ICPAK) is mandated by the Accountant's Act to issue regulations and standards for use in auditing financial statements. ICPAK is also a member of ECSAFA. The Council, in 1999, decided to adopt International Standards of Auditing as they are issued by the IAASB without any change or modification. Any new standards issued by the IAASB are adopted with the same effective date.
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### Notes to Basis of ISA Adoption by Jurisdiction

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61. **Korea** – The Korean Auditing and Assurance Standards Board (KAASB) under the Korean Institute of Certified Public Accountants (KICPA) sets auditing standards. Korean Standards on Auditing (KSAs) are based on ISAs. National requirements by laws and regulations in addition to ISAs are underlined in KSAs to distinguish it from ISAs. Some paragraphs of ISAs, for example, the Public Sector Perspective of each ISA and Corresponding Figures of ISA 710, are not adopted in KSAs because of the differences in Korean legal or accounting system from those of ISAs. In such circumstances, those paragraphs of ISAs are identified in parenthesis for reference purpose. KICPA reviewed the IAASB's Policy Position on Modification to IAASB Standards and found no significant inconsistency. In December 2008, KICPA published its IFAC Part 3, Action Plan, in which it announced that clarified ISAs in Korean are to be approved by the KAASB and Financial Services Commission (FSC) as new statutory auditing standards. The new ISAs adopted by KAASB will be effective in 2010.
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62. **Kosovo** – As per ROSC 2006, the Law on Financial Reporting requires the Kosovo Board for Standards in Financial Reporting (KBSFR) to issue auditing standards in conformity with ISAs. In 2002, the KBSFR published an Administrative Decision in Albanian, which made application of the 1999 Albanian language translation of ISAs mandatory. The delay in incorporating new ISAs and amendments to existing ISAs since 1999 has resulted in a significant standard gap. Based on exchange of information as part of the Compliance Program, there is an effort to formalize the translation agreement with Albania and make it sustainable. The professional body also provides regular updates on ISAs to its members.
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63. **Kuwait** – The Ministry of Commerce is responsible for the auditing standards in Kuwait. Some convergence activities with ISAs have occurred; however, the status of convergence is not certain.
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64. **Kyrgyzstan** – As per ROSC 2008, the Law on Audit Activity (2002) requires that auditing standards be approved by the Government of the Kyrgyz Republic. In 2003, the Government issued a decree establishing ISAs as of 2001 ("ISA 2001") as the required auditing standards, because this was the most recent version for which a Russian translation existed.
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65. **Latvia**<sup>1</sup> – The law requires ISAs to be used by directly referring to the ISAs (as opposed to including the text of the ISAs). The Latvian Association of Certified Auditors (LACA) has an important role with regards to the adoption and implementation process in that the law also required LACA to approve the proposed ISAs that are translated into Latvian and eventually published. The IFAC Translation Policy is followed.
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66. **Lebanon** – ISAs are applicable for the audit of listed companies and banks. The rules of the Beirut Stock Exchange and the Banking Control Commission require that the financial statements of all listed companies and all local banks should be audited in accordance with ISAs. The current legal framework for the country does not include any regulation or identification of the standards to be followed when auditing financial statements other than for banks and listed companies. The Minister of Finance is presently drafting a Ministerial Order to require ISAs to be followed by all auditors. In the meantime, a recent order (Ministerial Order No. 742, dated April 15, 2002) introduced
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### Notes to Basis of ISA Adoption by Jurisdiction

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ISA No. 700, *The Auditor's Report on Financial Statements*, as the official format to be followed for audit reports in Lebanon.

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67. **Lesotho**<sup>2</sup> – There are no listed companies in Lesotho as there is no stock exchange. The Lesotho Institute of Accountants (LIA), through the mandate given by the Accountants Act 1977, is the national standard-setting body. A decision was made over ten years ago by LIA not to set its own standards but to adopt IAASB pronouncements. The Accountants Act 9 of 1977 (section 6(c)) gives the LIA the mandate to regulate the practice of the accountancy profession in Lesotho. It is in the context of this provision that LIA becomes the legally designated national standard setter.

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68. **Liberia** – The Liberian Institute of Certified Public Accountants (LICPA), through the mandate given by the Accountants Act 1977, is the national standard-setting body. A decision was made over ten years ago not to set its own standards but to adopt those pronounced issued by IFAC.

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69. **Lithuania**<sup>1</sup> – According to the Law on Audit, the Lithuanian Chamber of Auditors (LCA) is responsible for the preparation of the National Standards on Auditing. The Audit Committee of the LCA prepares and evaluates Lithuanian National Standards on Auditing (NSA). The Audit Committee is also responsible for coordinating the translation of ISAs, commenting on both sets of standards and developing other audit methodology. 32 National Standards on Auditing have been approved; eight have recently been revised. The main principles and guidance of the NSA are based on ISAs.

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70. **Luxembourg**<sup>1</sup> – The Institut des Réviseurs d'Entreprises has enacted ISAs into its national auditing standards. There are no so called "pluses" or "carve out." ISAs are completed with additional guidance to help apply ISAs in the Luxembourg context. It should be noted that there is a timing difference between the IFAC effective date of an ISA and the date the Institute enacts the same ISA into its national standards.

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71. **Madagascar** – Ordre des Experts Comptables et Financiers de Madagascar (OECFM) seems to be the de facto audit standard setter and has adopted ISAs for private companies. The auditing standards adopted by OECFM (known as the Normes Malagasy d'Audit) simply refer to IAASB pronouncements as the auditing standards. However, there is no public information about the status of the adopted IAASB pronouncements, and they have not been translated into the national language due to a lack of resources.

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72. **Malawi**<sup>2</sup> – The Public Accountants and Auditors Act gives the Society of Accountants in Malawi (SOCAM) a mandate to set accounting and auditing standards. The Act calls upon SOCAM to set accounting and auditing standards appropriate to the conditions prevailing in Malawi. SOCAM has formally established a policy of convergence with IAASB pronouncements. IAASB pronouncements are adopted as drafted without amendments.

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73. **Malaysia** – ISAs are adopted in Malaysia as drafted with minimal amendments to localize the reference to Malaysian context, with the disclaimer that if there is any matter that needs to be highlighted, the foreword to the standard would address it. The standards issued are known as Malaysian Approved Standards on Auditing, though the specific titles and reference number remain the same as ISAs. MIA is in full support to

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### Notes to Basis of ISA Adoption by Jurisdiction

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converge with the ISAs on 1 January 2010 and is on track with the status of the Clarity Project.

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74. **Malta**<sup>1</sup> – The Companies Act simply refers to the IAASB pronouncements as the standards to be used in the audit of financial statements of listed and non-listed entities. The Malta Institute of Accountants (MIA) has indicated that the Institute regularly communicates new and amended IAASB pronouncements to its members and supports the implementation of the standards through continuing professional development training.

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75. **Mauritius** – The Companies Act 2001 prescribes direct application of ISAs. Under the Financial Reporting Act 2004, responsibility for standard setting lies with the Financial Reporting Council (FRC). The FRC reinforces the Companies Act requirements and requires that all ISAs are applied directly in Mauritius without any amendments.

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76. **Mexico** – Setting of auditing standards is the responsibility of the Mexican Institute of Public Accountants—Instituto Mexicano de Contadores Públicos, A.C. (IMCP). The standards are set by the IMCP's Auditing Standards and Procedures Commission (the Commission). Mexican GAAS is obligatory for use in all regulated audits, i.e., audits of listed companies, banks, and insurance companies. The Commission has established what appears to be a sound due process of development of Mexican GAAS and has established ongoing convergence with IAASB pronouncements as its objective. IAASB pronouncements and ISAs in particular are compared with Mexican GAAS to eliminate differences. The IMCP plans to issue a new set of local standards fully converged with ISAs, which will be effective for audits performed after December 31, 2011 (with some exceptions).

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77. **Moldova** – Accounting and auditing standards are issued by a Division of the Ministry of Finance mostly through translation of international standards (IAS/IFRS and ISA). Moldovan auditing standards (NSA) are, for the most part, a direct translation of ISAs, although they do not include certain recent amendments and additions to ISAs and are based on ISAs issued from 1999 to 2000. Currently, the Association of Professional Accountants and Auditors of the Republic of Moldova is assisting in the process by facilitating the translation and dissemination of the latest available translation of ISAs through cooperation with some IFAC members from Romania and Russia.

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78. **Mongolia** – Article 8.1 of Audit Law of Mongolia mandates ISAs in the territory of Mongolia. The 2003 IAASB edition of ISAs was translated into Mongolian. There appears to be a significant time lag between translation and adoption of newly issued and revised ISAs.

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79. **Montenegro** – International Standards on Auditing (ISA) are legally required but the individual ISA have not yet been translated, officially adopted, or published. The government has planned the official adoption and publication of properly translated ISAs; however, it is uncertain whether this is completed and implemented.

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80. **Morocco** – The Ordre des Experts Comptables du Royaume du Maroc (OEC) (Certified Public Accountants Association) has responsibility for establishing the auditing standards for listed and non-listed entities. OEC has indicated that convergence with IAASB pronouncements has been established as an objective but is not fully implemented, as OEC's auditing standards do not incorporate new and current IAASB pronouncements.

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### Notes to Basis of ISA Adoption by Jurisdiction

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OECD plans to incorporate all current IAASB pronouncements and clarified ISAs, in particular, into its auditing standards.

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81. **Namibia**<sup>2</sup> – The Institute of Chartered Accountants of Namibia (ICAN) has authority for establishing the auditing standards for listed and non-listed entities. As with other ECSAFA countries, ICAN implemented convergence with IAASB pronouncements as an objective, and ISAs are adopted as drafted without amendments when they are issued by the IAASB.
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82. **Nepal** – In 2006 the Auditing Standards Board (AuSB) adopted an official position of convergence to ISAs – aligning its agenda with that of the IAASB and using the ISAs as a base. AuSB started redrafting Nepal Auditing Standards in line with relevant ISAs, including the Preface and Framework. 22 out of 30 issued NSAs are already revised and are in the process of issuing for mandatory application by members of the Institute of Chartered Accountants of Nepal.
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83. **Netherlands**<sup>1</sup> – Audit standard setting is a joint responsibility in the Netherlands – the Koninklijk Nederlands Instituut van Registeraccountants (the Royal NIVRA) and another professional body, the Nederlandse Orde Van Accountants-Administratieconsulenten (NOvAA) – establishing one set of standards for all members (Directives on Auditing - Richtlijnen voor de Accountantscontrole). The Royal NIVRA has characterized the convergence process using template wording from the IFAC Compliance Program: “IAASB pronouncements are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements.” There is an ongoing translation process.
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84. **New Zealand** – In 2005, the Professional Standards Board (PSP) of the New Zealand Institute of Chartered Accountants (NZICA) took the decision to adopt ISAs as ISAs (New Zealand). The PSB aligns much of its standard-setting work program with that of the IAASB.
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85. **Nicaragua** – The Colegio de Contadores Públicos de Nicaragua (CCPN) adopted by reference ISAs issued by the IAASB and declared that, starting in 2007 and continuing through 2008, convergence will be achieved. The current status is not known.
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86. **Nigeria** – The Institute of Chartered Accountants of Nigeria (ICAN) has responsibility for issuing audit standards in Nigeria. The ICAN Act of 1965 mandated ICAN to set auditing standards. Due to lack of capacity, ICAN has not issued any auditing standards for a long time, although some guidelines have been issued. ICAN has advised its members to use International Standards on Auditing in their engagements, and, in 2008, adopted existing ISAs as Nigerian Standards on Auditing.
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87. **Norway** – Law/regulation does not explicitly give authority to Den Norske Revisorforening (DnR) to establish the auditing standards; however, in practice DnR takes the lead for establishing auditing standards. IAASB pronouncements are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements. The Norwegian versions of the IAASB pronouncements, amended as necessary due to national requirements, and indicating from when they are effective, are publicly available. The effective date of the original IAASB pronouncements are not stated in our national pronouncements—except via
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### Notes to Basis of ISA Adoption by Jurisdiction

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general reference to IFAC's website where they are available. In the Norwegian Preface, reasons for differences are described in general.

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88. **Pakistan** – The Institute of Chartered Accountants of Pakistan (ICAP) has responsibility for adopting and promulgating the auditing standards for listed and non-listed entities. ISAs are adopted as drafted, without amendments.
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89. **Panama** – Law 6 of February 2, 2005 (modifying Law 57 of 1978) adopted the enacted ISAs at that date and any modifications or other ISAs to be issued in the future. Adoption and promulgation of ISAs in Panama is the responsibility of the Junta Tecnica de Contabilidad (Technical Accounting Board). The Junta is a regulatory body established by the Law 57 of 1978 and operates under the Ministry of Commerce and Industry. It is unclear which ISAs have been adopted in Panama.
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90. **Papua New Guinea** – Under the Accountants Act 1996, Certified Practising Accountants Papua New Guinea (CPAPNG) is responsible for setting auditing and ethical standards. CPAPNG has adopted ISAs as standards required to be followed by their members in conducting audits of financial statements. CPAPNG has confirmed that all ISAs in force as of September 30, 2005 have been adopted in Papua New Guinea.
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91. **Paraguay** – According to 2006 ROSC, Paraguay has an incomplete, fragmented, and loosely enforced statutory framework for accounting and auditing. The professional body, Colegio de Contadores de Paraguay (CCP) adopted ISAs for the first time in 1999 and has updated this decision twice. Technical Resolution 2, dated February 1999 adopted ISAs as translated by the Mexican Institute of Public Accountants (IMCP) in May 1995. In July 2002, Technical Resolution 7 modified the previous resolution and adopted the translation published that year by the IMCP. Finally, in 2004, the Colegio issued Technical Resolution 8, which reaffirmed ISAs as the applicable standards for its members and referenced the translation by the IMCP as the source of the norms, but without designating which one.
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92. **Peru** – According to the World Bank ROSC report: “In 1993, a full translation of IFAC’s Handbook of Technical Pronouncements (containing auditing standards and practice statements as of 1992) was published. The translation was updated twice since then, first in 1996, and then in 1999.” Other information available indicates a translation was done based on the 2006 version of IFAC’s Handbook; however, there is no indication about the modifications made, if any.
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93. **Philippines** – The Auditing and Assurance Standards Council (AASC), has responsibility for establishing and promulgating the auditing standards to be used in the audit of listed and non-listed entities. AASC incorporates the full text of new IAASB pronouncements in the national auditing standards on an ongoing basis.
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94. **Poland**<sup>1</sup> – The law requires that auditors follow Professional Standards as developed by the National Chamber of Statutory Auditors (NCSA) and based on ISAs. In matters not regulated by national standards ISAs should be followed. Since 1996, ISAs have been translated into Polish, and the last available translation of ISAs (which are the IAASB Clarified ISAs), have now been published. Together with the Accountants Association in Poland, NCSA maintains a process to ensure ongoing review of new and revised
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### Notes to Basis of ISA Adoption by Jurisdiction

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standards.

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95. **Portugal**<sup>1</sup> – The Ordem dos Revisores Oficiais de Contas (OROC) compares the national standards with ISAs to eliminate differences. There is an ongoing translation process.
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96. **Romania**<sup>1</sup> – The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements). There is an ongoing translation process by the Chamber of Financial Auditors of Romania (CFAR).
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97. **Russia** – Over the past decade, various steps were taken to incorporate ISAs into Russian Audit Standards including translation of the 2005 IFAC Handbook. To strengthen its commitment to ongoing convergence with ISAs, a Federal Law approved in December 31, 2008 will require Russian standards to be established in accordance with ISAs (Article 7 of the Federal Law on Auditing Activity). This Federal Law provides for the establishment of an Audit Council to set the standards and will require Federal Standards on Auditing Activity to be established in accordance with ISAs from January 1, 2010 onwards.
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98. **Saudi Arabia** – Saudi Organization for Certified Public Accountants' (SOCPA) Auditing Standards Committee is responsible for setting auditing standards. The Committee follows a due process in setting Saudi auditing standards, taking into consideration local circumstances, ISAs, and US standards. In its Part 2 response, SOCPA indicates that it compares national standards with the international requirements to eliminate differences, where possible. In matters not covered by auditing standards or professional opinions issued by SOCPA, relevant ISAs are considered as generally accepted standards.
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99. **Senegal** – The West African Regional Body has responsibility but is not functioning. ISAs as translated by Fédération Internationale des Experts Comptables Francophones (FIDEF) are used in practice. Based on exchange of information as part of the Compliance Program, Ordre National des Experts Comptables et Comptables Agrées du Senegal (ONECCA) declared that translated ISAs will be adopted in 2009.
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100. **Serbia** – As per 2005 ROSC, the Accounting and Auditing Law (2002) states that statutory audits should be conducted in accordance with ISAs. Consequently, there should not be any 'standards gap' as far as auditing standards are concerned.
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101. **Sierra Leone** – A revised Companies Law is to give responsibility for standard setting to the Institute of Chartered Accountants of Sierra Leone (ICASL). There are plans to adopt ISAs once the revised Companies Act is adopted; however, it is unclear whether the Act has been adopted.
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102. **Singapore** – The Institute of Certified Public Accountants of Singapore's (ICPAS) Auditing and Assurance Standards Committee recommends the adoption of IAASB equivalent standards in Singapore (Singapore Standards on Auditing (SSAs)). Editorial amendments are made for local differences. Issuance of the SSAs requires the approval of the ICPAS Council.
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### Notes to Basis of ISA Adoption by Jurisdiction

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103. **Slovakia**<sup>1</sup> – The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements). There is an ongoing translation process.
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104. **Slovenia**<sup>1</sup> – The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements). There is an ongoing translation process.
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105. **South Africa**<sup>2</sup> – The Auditing Profession Act (Act 26 of 2005) establishes the Independent Regulatory Board for Auditors (IRBA). The Act also establishes convergence with ISAs as an objective. The Auditing and Assurance Standards Board (AASB) has specific responsibility for an ongoing convergence process that includes submitting comments to the IAASB on proposed standards. The IRBA does issue its own pronouncements that deal with additional South African requirements or how IAASB pronouncements should be applied in South Africa.
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106. **Spain**<sup>1</sup> – As stated in audit law, development and approval of auditing standards (Normas Técnicas de Auditoría (NTAs)) is a collaborative effort with drafting of the standard performed by the Instituto de Censores Jurados de Cuentas de España (ICJCE) and approval and publishing of the Normas the responsibility of the Spanish regulator—Instituto de Contabilidad y Auditoría de Cuentas (ICAC). There is an ongoing process in place to review new and revised ISAs and incorporate them into NTAs, with modifications; ICAC has adopted a large range of ISAs and will incorporate Clarified ISAs in the national standards in the course of 2009 and 2010.
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107. **Sri Lanka** – IAASB pronouncements are adopted as national standards and amended as necessary to address differences due to conflicts with legal or regulatory requirements. However, not all ISAs have been adopted yet.
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108. **Swaziland**<sup>2</sup> – The Swaziland Institute of Accountants (SIA) adopts IAASB pronouncements as drafted without amendments.
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109. **Sweden**<sup>1</sup> – The Auditors Act appears to appoint a government office/agency called Revisorsnämnden as the auditing standard setter with the Swedish auditing standards termed Revisionsstandard i Sverige RS. Revisionsstandard i Sverige RS standards are based on the ISAs with additions as required by Swedish law. The issuing body for the standards is called the Föreningen Auktoriserade Revisorer (FAR), the institute for the accountancy profession in Sweden. The standards are translated. Their layout is the same as the ISAs. Where relevant, additions to the requirements and related guidance in the original ISAs have been made in the RSs because of Swedish legislation. These additions are obvious to the reader by the mark “SE” at the RS (original ISA) paragraph in question. Some paragraphs in a few ISAs are left blank in the corresponding RSs for the reason that they are not relevant in the Swedish environment. At the end of each RS there is a brief comment on the differences, if any, between the RS and the original ISA.
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110. **Switzerland** – The Ordinance on the Oversight of Audit Firms establishes the Federal Audit Oversight Authority (FAOA) as the auditing standard-setter for listed entities whereas the Swiss Institute of Certified Accountants and Tax Consultants (TK) adopts
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### Notes to Basis of ISA Adoption by Jurisdiction

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the auditing-standard for non-listed entities. There are developments to incorporate the ISAs into the auditing standards. For listed entities, FAOA is planning to incorporate them via a regulation (making a direct legislative reference to ISAs), while for the non-listed entities, TK is in the process of developing/going through a convergence program - though it is understood that the convergence program does result in some modification being made as they are incorporated into the Swiss Auditing Standards. After adoption of Clarity ISAs, there will be no other additions except for those necessary to accommodate national laws and regulations.

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111. **Tanzania**<sup>2</sup> – After “wholesale adoption” of IFRSs and ISAs in 2004, the local Accounting and Auditing standards were withdrawn. ISAs released after 2004 are adopted without modifications after discussions by the National Board of Accountants and Auditors (NBAA) Technical Committee. They are usually provided to members and students through discussions in seminars, workshops etc.

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112. **Thailand** – The Federation of Accounting Professions (FAP) has stated that there are no modifications to the ISAs when adopting them as Thai Standards on Auditing. Not all issued ISAs have been adopted yet but are planned for by the FAP as part of its current review and process for adopting the Clarified ISAs.

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113. **Trinidad and Tobago** – The Institute of Chartered Accountants of Trinidad and Tobago (ICATT) adopts ISAs as issued by the IAASB without amendments.

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114. **Tunisia** – The law/regulation simply refers to IAASB pronouncements as the auditing standards (without bringing in the full or partial text of individual IAASB pronouncements).

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115. **Turkey** – The Union of Chambers of Certified Public Accountants of Turkey (TURMOB) has established the Turkish Audit Standards Board (TUDESK) which has a mandate of setting national auditing standards. In 2002, TUDESK translated the ISAs in accordance with the IFAC Translation Policy and incorporated the translated standards, with modifications, in the national standards in 2004. TUDESK is now in the course of establishing an ongoing process for monitoring, reviewing, translating and incorporating the ISAs in the national standards.

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116. **Uganda**<sup>2</sup> – Since 1998, the Institute of Certified Public Accountants of Uganda (ICPAU) has adopted ISAs as applicable standards without amendments.

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117. **Ukraine** – In 1993, the Ukrainian Parliament adopted the Law on Audit Activities. In accordance with this Law, the Auditors Chamber of Ukraine (ACU) was created. Pursuant to the Law of Ukraine on the Audit Activities, approval of the regulations and standards on auditing shall be the exclusive right of the ACU. Approved by the Audit Standards of Ukraine, the regulations and standards on auditing shall be mandatory for compliance by enterprises, institutions, and organizations. By its Resolution “On the Procedure for Applying IFAC Standards on Auditing and Ethics in Ukraine” # 122 and dated April 18, 2003, the Auditors Chamber of Ukraine adopted IFAC Standards on Auditing and Ethics as National Standards on Auditing. Translation of the 2007 standards is in process.

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118. **United Arab Emirates** – According to a 2007 IMF report, the Dubai Financial Services

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### Notes to Basis of ISA Adoption by Jurisdiction

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Authority (DFSA) requires financial statements to be audited by a professional auditor, using ISAs, standards of the Accounting and Auditing Organization for Islamic Financial Institutions, or other audit standards recognized by the DFSA.

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119. **United Kingdom**<sup>1</sup> – Auditing standards are the responsibility of the Financial Reporting Council, through its Auditing Practices Board (APB). In December 2004, the APB released ISAs (UK and Ireland) with the same titles as ISAs issued by the IAASB and has been actively involved in the Clarity Project. The APB decided to adopt the clarified ISAs in the UK and Ireland. The proposed new ISAs (UK and Ireland) will adopt the new ISAs as issued by the IAASB with some supplementary requirements and guidance. Supplementary material will be proposed where considered necessary to: (a) Address specific UK and Irish legal and regulatory requirements, (b) Provide other guidance relating to legal and regulatory matters relevant to an audit, and (c) Maintain other current APB requirements and guidance that are, in the APB's view, necessary to prevent changes in audit practice to the detriment of audit quality. Because of the improvements in the clarified ISAs, the quantity of supplementary material is expected to be reduced significantly from that in the current ISAs (UK and Ireland).

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120. **Uruguay** – According to 2006 World Bank ROSC, Colegio de Contadores, Economistas y Administradores del Uruguay (CCEA) is the de facto standard setter for auditing. In 2000, CCEA Pronouncement no. 13, also entitled Generally Accepted Auditing Standards in Uruguay, mandated the use of 28 ISAs and 10 International Auditing Practice Statements (IAPS), without any modification. Considering the fact that Uruguay has a relatively long experience in using international auditing standards, and since most of the leading audit firms are already required as a result of their obligations toward the international network they are affiliated with, full adoption of ISAs would be a natural next step for Uruguay.

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121. **United States of America** – For unlisted companies, Rule 202 of the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct requires a member who performs an audit to comply with standards promulgated by the Auditing Standards Board (ASB). With respect to ISA convergence, the ASB approach was to develop a plan to harmonize U.S. generally accepted auditing standards with the ISAs while also avoiding the creation of unnecessary differences with Public Company Audit Oversight Board (PCAOB) standards. As part of the harmonization process, the ASB aligned its agenda with that of the IAASB. ASB standards will be developed concurrently with new ISAs. The approach is to use the ISAs as a base with modifications where it better serves the needs of U.S. users or for legal and regulatory reasons. It is intended that there will be very few or no differences between the requirements of the ISAs and the Statements on Auditing Standards (SASs).

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122. **Uzbekistan** – National Association of Professional Accountants and Auditors of Uzbekistan (NAAA UZ) plans to develop a working plan for ISA convergence, including a need to study and distribute exposure drafts for comments and final pronouncements of IAASB standards. The process is intended to assist in the preparation of recommendations for the Ministry of Finance's consideration and eventual approval.

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123. **Venezuela** – Auditing standards in Venezuela are issued by the Federation of Certified Public Accountants of Venezuela (FCCPV). In 2007, FCCPV issued a press about its

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### Notes to Basis of ISA Adoption by Jurisdiction

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plan for listed entities to adopt ISAs by December 31, 2008 and for the audit of SMEs to be December 31, 2010.

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124. **Vietnam** – According to the Decree 105/2004, the Ministry of Finance is responsible for establishing and promulgating the auditing standards to be used in the audit of listed and non-listed entities. The auditing standards adopted by the Ministry of Finance are based on the IAASB pronouncements. IAASB pronouncements are translated by the Ministry of Finance into Vietnamese.
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125. **Zambia**<sup>2</sup> – As in other ECSAFA countries, the Zambia Institute of Chartered Accountants (ZICA) has the responsibility for setting the standards and adopts ISAs as issued by the IAASB without amendments. ZICA has a process to participate in the adoption of new standards by commenting on exposure drafts. In 2008, the Technical Committee did comment on the Revised Auditing Standards and will continue to do so.
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126. **Zimbabwe**<sup>2</sup> – As in ECSAFA countries, the Institute of Chartered Accountants of Zimbabwe (ICAZ), through the law, has the responsibility for setting the standards and adopts ISAs as issued by the IAASB without amendments.
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