

Sample article review on the egyptian accounting profession standards

[Business](#), [Company](#)



The article provides in-depth information on Egypt's effort to reinforce its accounting and International financial reporting standards (IFRS) over the last twenty years. Egypt's decision to liberalize its economy has indeed created more benefits for the country and this has allowed it to become a dynamic market economy incorporating both the private sector as well as the global economy. Subsequently, the Economic liberalization enabled the reactivation of the securities exchange market and the establishment of a privatization program. As a result, Egypt sought to integrate the International Financial Reporting Standards in order to enhance the efficiency and effectiveness of various financial operations. Thus, IFRS entails the disclosure of various financial instruments, the presentation of financial statements and the implementation of different accounting standards while transacting different financial leasing operations. Consequently, Egypt has incorporated various approaches to implementing the International Financial Reporting Standards effectively.

First, the country has allowed its foreign investors to participate freely in the securities market without much limitation on the capital movement. In addition, Egypt's Capital Market Authority (CMA) strives to ensure that the Egyptian Capital Market is in line with the International standards hence promoting the adherence to rules related to securities regulation.

Additionally, Egypt's government has pursued various policies including that of harmonizing its accounting standards with that of IAS, and this was facilitated through the establishment of a permanent committee. Also, Egypt established the Egyptian Standards on Auditing (ESA) with the aim of promoting transparency, efficiency, and accountability of all the financial

operations. Thus, the auditors are expected to exercise professionalism and maximum due care while undertaking their work. The Government of Egypt also requires all the Companies registered under the Companies Act to maintain sound and proper accounting records. The Central Bank of Egypt (CBE) also issues critical guidelines to commercial banks on the financial reporting standards and thus expects all the banks to follow the EAS. Specifically, the government emphasizes the need to incorporate capacity building while handling all issues relating to the implementation of the auditing and accounting standards.

According to the Report and Observance of Standards and Codes (ROSC), the Egyptian government has indeed made great strides in trying to improve the institutional, regulatory and legal framework for corporate governance. The Egyptian government has made changes in the regulatory and legal framework with the aim of strengthening the disclosure rules and tightening the internal trade-related provisions. Different companies are also required to implement the Egyptian Corporate Governance Code (ECGC) on either an “explain or comply basis”. Additionally, various significant institutions have been tasked with the responsibility of enforcing the regulatory and legal frameworks. Such Institutions include the General Authority for Investments (GAFI), the Egypt Financial Supervisory Authority (EFSA), and the Egyptian Insurance Supervisory Authority (EISA) among others. Conversely, the adherence to the systematic reforms has seen Egypt record an impressive economic growth rate.

Companies in Egypt are also mandated to disclose to the public information on the financial statements. Company boards are thus encouraged to have

risk management functions hence enabling analysis of the company's internal control systems. Inasmuch as the companies have an internal auditor, they are also expected to have an independent external auditor. Consequently, the ECGC encourages various companies to have boards who set out vital regulations, rules and procedures thus ensuring that the companies comply with the existing laws. For example; the filing of tax returns. Otherwise, companies need to adhere to existing laws and business and financial frameworks in order to realize greater productivity.