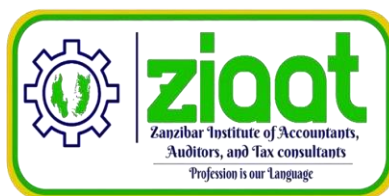


ZANZIBAR INSTITUTE OF ACCOUNTANTS, AUDITORS AND TAX CONSULTANTS (ZIAAT)



TECHNICAL PRONOUNCEMENT NO.3 OF 2025 SCOPE OF APPLICABILITY OF IFRSs, IPSASs, IFRSs FOR SMESs AND FRSME IN ZANZIBAR

1. Introduction

Zanzibar adopted International Accounting and Auditing Standards with the effect from 14th March, 2025 and therefore, every commercial and public entity in the Zanzibar, whether small or large, was required to prepare its financial statements in accordance with the IFRSs or IPSASs as the case may be.

Following the issuance of adequate number of International Public Sector Accounting Standards (IPSASs) by the International Public Sector Accounting Standards Board (IPSASB) and independent International Financial Reporting Standards for Small and Medium-sized Entities (IFRSs for SMEs) by the International Accounting Standards Board (IASB) now onwards, ZIAAT is issuing Technical Pronouncement No. 3 of 2025 on the scope of applicability of IFRSs, IPSASs, IFRS for SMEs and FRSME.

In an effort to enhance statutory financial reporting requirements in Zanzibar, the Institute according to the powers conferred under Zanzibar Institute of Accountants, Auditors and Tax Consultants Act No. 7 of 2022, would like to inform the public that the scope of applicability of these financial reporting standards will be as indicated below:

S/N	TYPE OF STANDARD	CATEGORY OF ENTITY
1	Full IFRSs	<p>A. Commercial entities which are Public Interest Entities (PIEs) with any of the following characteristics:</p> <ul style="list-style-type: none"> i. Its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); ii. It holds assets in a fiduciary capacity for a large number of stakeholders as one of its primary businesses. This is typically the case for banks, credit unions, insurance companies, pension funds, securities brokers/dealers, mutual funds and investment banks etc.; iii. Commercial entities with total gross capital of not less than TZS.50 billion and which have significant influence in the provision of essential and strategic goods and services to the public, including: <ul style="list-style-type: none"> (a) Commercial entities which generate, transmit and sell electricity and related services; (b) Commercial entities which produce, import, transport and distribute petroleum products and natural gas; (c) Commercial entities which provide water, sewerage sanitation and

		<p>telecommunication services;</p> <p>(d) Commercial entities which provide transport services in wider area of the United Republic of Tanzania;</p> <p>(e) Commercial entities which are involved in extractive industry;</p> <p>(f) Commercial entities involved in food processing, distribution and marketing; and</p> <p>(g) Commercial entities involved in communication and entertainments.</p> <p>B. All Public Commercial Entities (PCEs).</p>
2	IPSASs	<p>A. All public sector entities with the following characteristics:</p> <ul style="list-style-type: none"> i. Are responsible for delivery of services to benefit the public/or to redistribute income and wealth. ii. Mainly finance their activities, directly or indirectly by means of taxes or transfer from other level of government, social contribution, debt or fees. iii. Do not have a primary objective to make profit. <p>B. Political parties</p> <p>C. All non-government entities with the following characteristics:</p> <ul style="list-style-type: none"> i. Have significant public funding to finance their activities. They will be denoted by either financed by government grant, donor aid or

		<p>donations.</p> <ul style="list-style-type: none"> ii. Serve large populations of not less than 1,000. iii. Provide essential services to the public such as healthcare, education and disaster relief, water/sanitation, etc. iv. Hold assets in a fiduciary capacity for the public or beneficiaries. They include those entities which are managing donor, public funds or donations for vulnerable populations. v. Are highly visible or influential in society or legally designated as PIEs.
3	IFRS for SMEs	Commercial entities which are not public interest entities (not in category 1 above) and with annual turnover of TZS.500 million or above.
4	FINANCIAL REPORTING STANDARDS FOR MICRO ENTITIES (FRSME)	Entities which are not Public Interest Entities (PIEs) and with annual turnover less than TZS.500 million.

The Institute would like to direct that reporting entity in category 1 and 2 (Public Interest Entities) shall be required to publish their financial statements in their respective websites and in at least one newspaper of wider circulation of either Swahili language or English language.

This pronouncement will become effective for accounting period ending on or after 30th June 2025.

For further information and clarification please contact:

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