
**Intergovernmental Working Group of Experts on
International
Standards of Accounting and Reporting
(ISAR)**

35th SESSION

24 - 26 October 2018

Room XVII, Palais des Nations, Geneva

Thursday, 25 October 2018

Afternoon Session

Agenda item 4.

**Issues of practical implementation of international standards
of accounting and reporting in the public and private sectors**

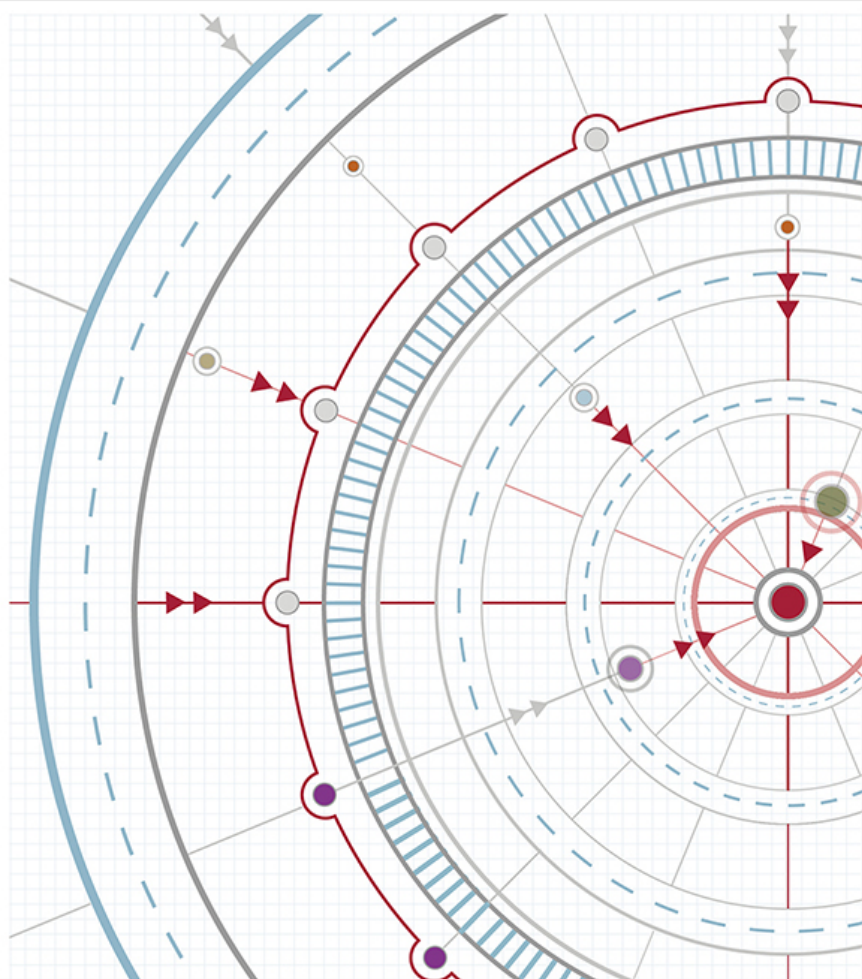
Presented by

Amaro Luiz de Oliveira Gomes

Board Member

International Accounting Standards Board

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IFRS® Standards Implementation

35th. Session of ISAR
Geneva, 25th. October 2018

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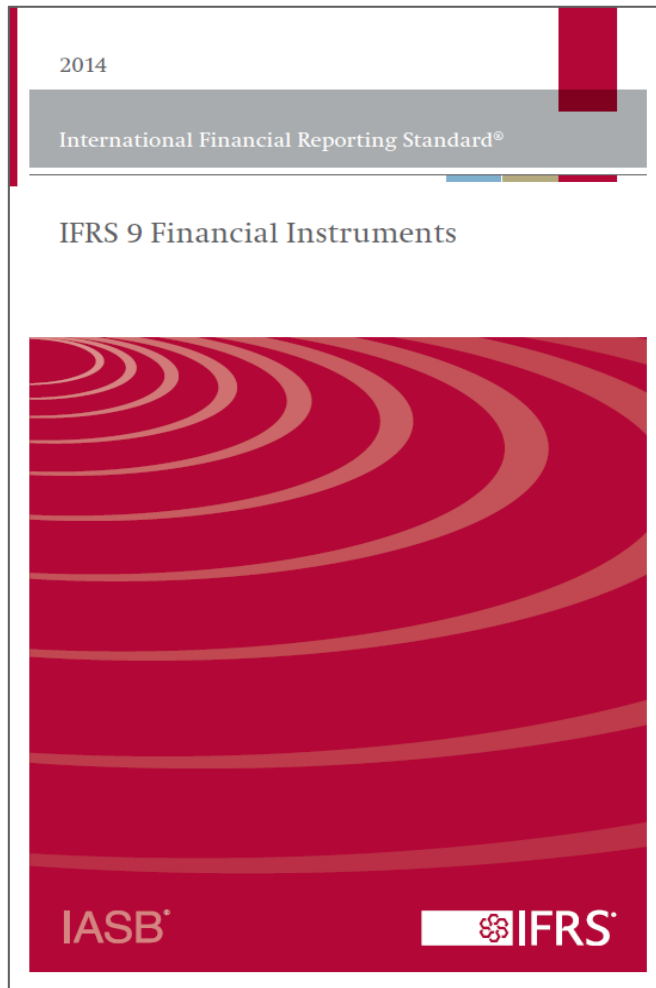
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New IFRS Standards

Standard	Big change	Effective
IFRS 9 <i>Financial Instruments</i>	Expected loss model replaces incurred loss model	2018
IFRS 15 <i>Revenue from Contracts with Customers</i>	Global Standard - IASB and FASB converged	2018
IFRS 16 <i>Leases</i>	All leases onto balance sheet	2019
IFRS 17 <i>Insurance Contracts</i>	Truly international, current measurement	2021

IFRS 9 at a glance

3

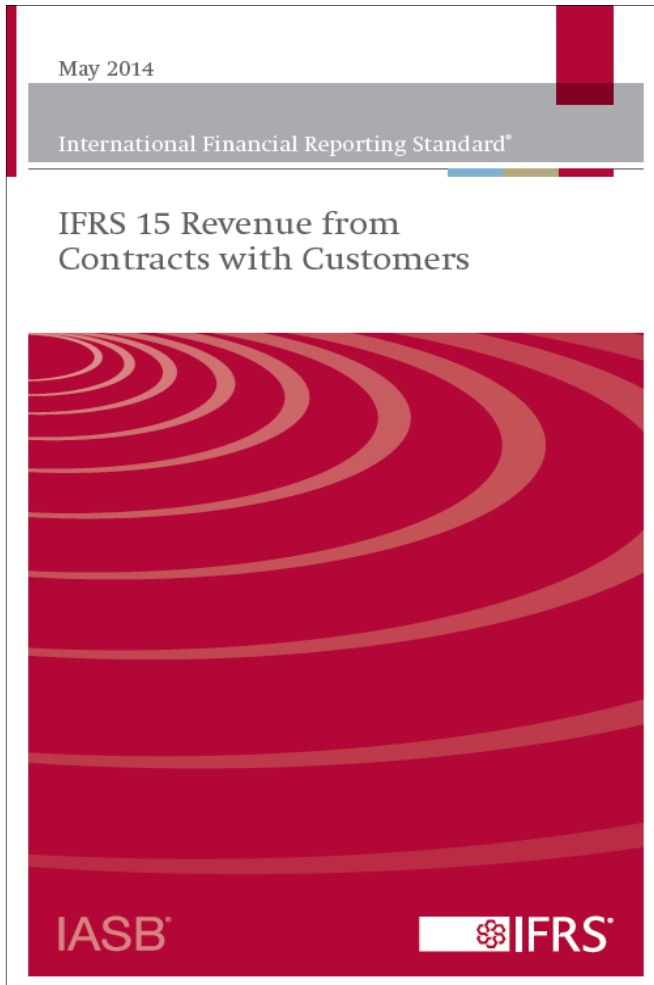


- Issued in 2014
- Effective 1 January 2018
- Replaces IAS 39

Key points:

- Classification and measurement
 - a logical, single classification approach driven by cash flow characteristics and how financial instruments are managed
- Impairment
 - forward-looking 'expected loss' model
- Hedge accounting
 - better aligns accounting with risk management

IFRS 15 at a glance

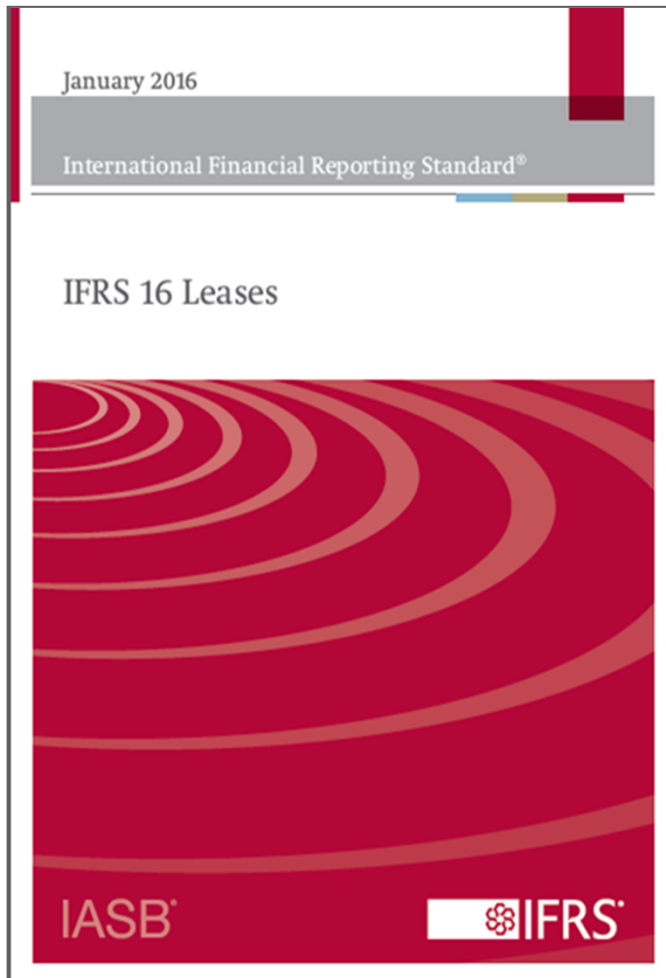


- Issued in 2014
- Effective 1 January 2018
- Replaces IAS 18 and IAS 11

- Key points:
- Framework for all revenue recognition
 - Developed jointly with FASB

IFRS 16 at a glance

5



- Issued in January 2016
- Effective 1 January 2019
- Replaces IAS 17

Key points:

- Brings leases onto the balance sheet
- Changes lessee accounting substantially; little change for lessors
- Early application permitted (only with application of IFRS 15)

IFRS 17 at a glance



One
accounting model for all insurance contracts
in all IFRS jurisdictions



Who is affected?



450
listed insurers using
IFRS Standards

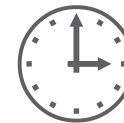


\$13 trillion
total assets of those
listed insurers

When?



2021
mandatory effective date
of the new Standard



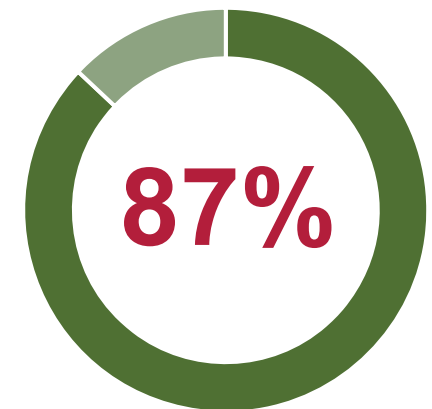
3.5
years for companies
to implement the new
requirements

Adoption of IFRS Standards



 = IFRS Standards required

144 of 166 jurisdictions require IFRS Standards for all or most publicly accountable companies



- More than 300 Mainland companies with dual listing in HK
- Over 200 of those = no difference in outcome IFRS Standards v Chinese GAAP
- Remaining companies = minimal differences:

	Net Assets		Net Profit	
	Net	Gross	Net	Gross
Based on 85 companies	<u>0.10%</u>	0.23%	<u>-0.04%</u>	0.30%

Data from 2015

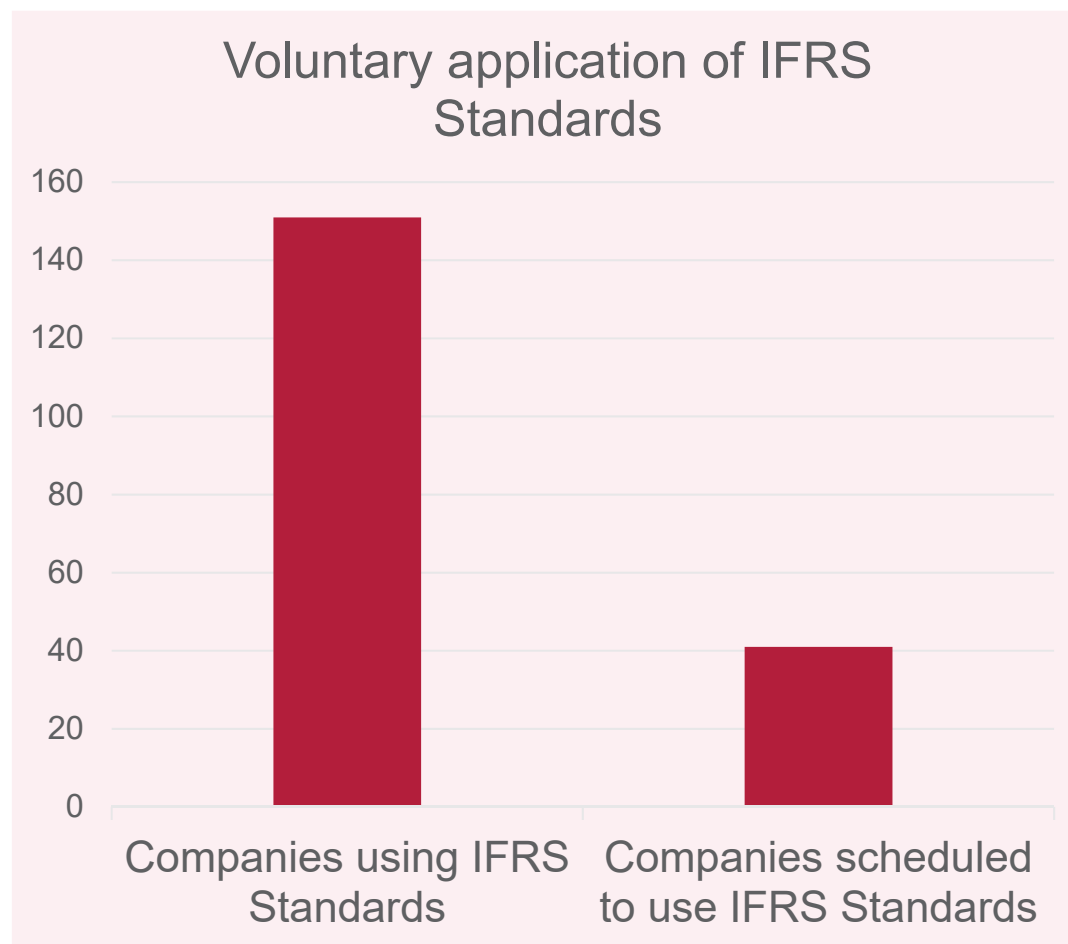
Japan

Japanese GAAP

JMIS

US GAAP

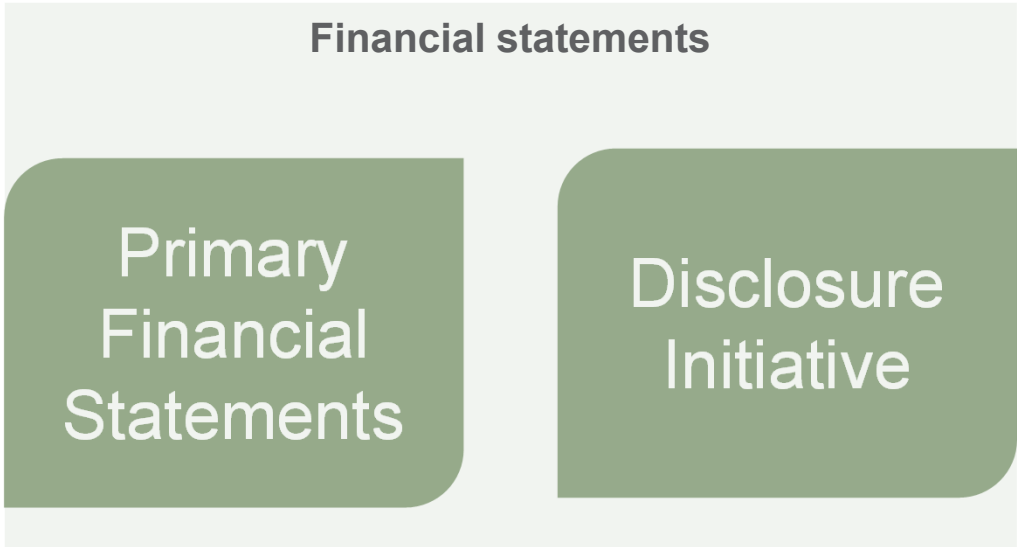
IFRS Standards



Source: Japan Exchange Group, May 2018

Better Communication in Financial Reporting

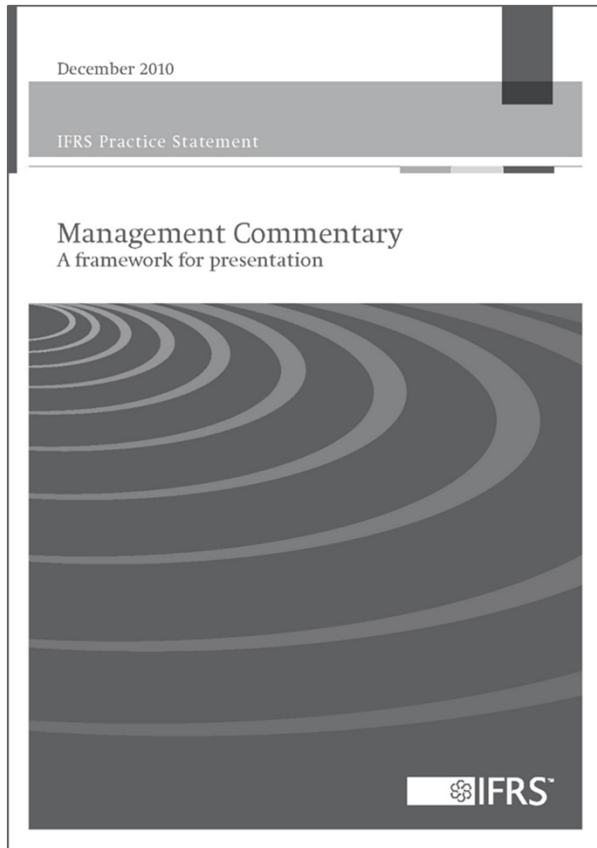
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Delivery



Wider corporate reporting and the IASB



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