

# IFRS Application Issues *Panel Discussion*

Nairobi, Kenya

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# Application of IFRS

## *What are the challenges?*

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### Balance between:

Preserving **principle-based nature** of IFRS Standards

Facilitates **use of judgement** to reflect differing economic realities

Avoids unintended consequences of narrow-scope or fact-specific standard-setting activity

Fostering **consistent application**

Address practice issues on a timely basis

**Sufficient interpretative guidance** to achieve similar accounting for economically similar transactions

# Application of IFRS

## *What does this mean in Practice?*

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### Principled based standards

- A **mature framework** for exercising and evaluating judgement
- A **sound educational process** with focus on both IFRS requirements and exercising of judgement
- An **experienced intervention** on difficult issues
- **Interactive communication** between regulators, auditors and preparers, particularly as regards local jurisdiction issues

# Application of IFRS

## *What does this mean in Practice?*

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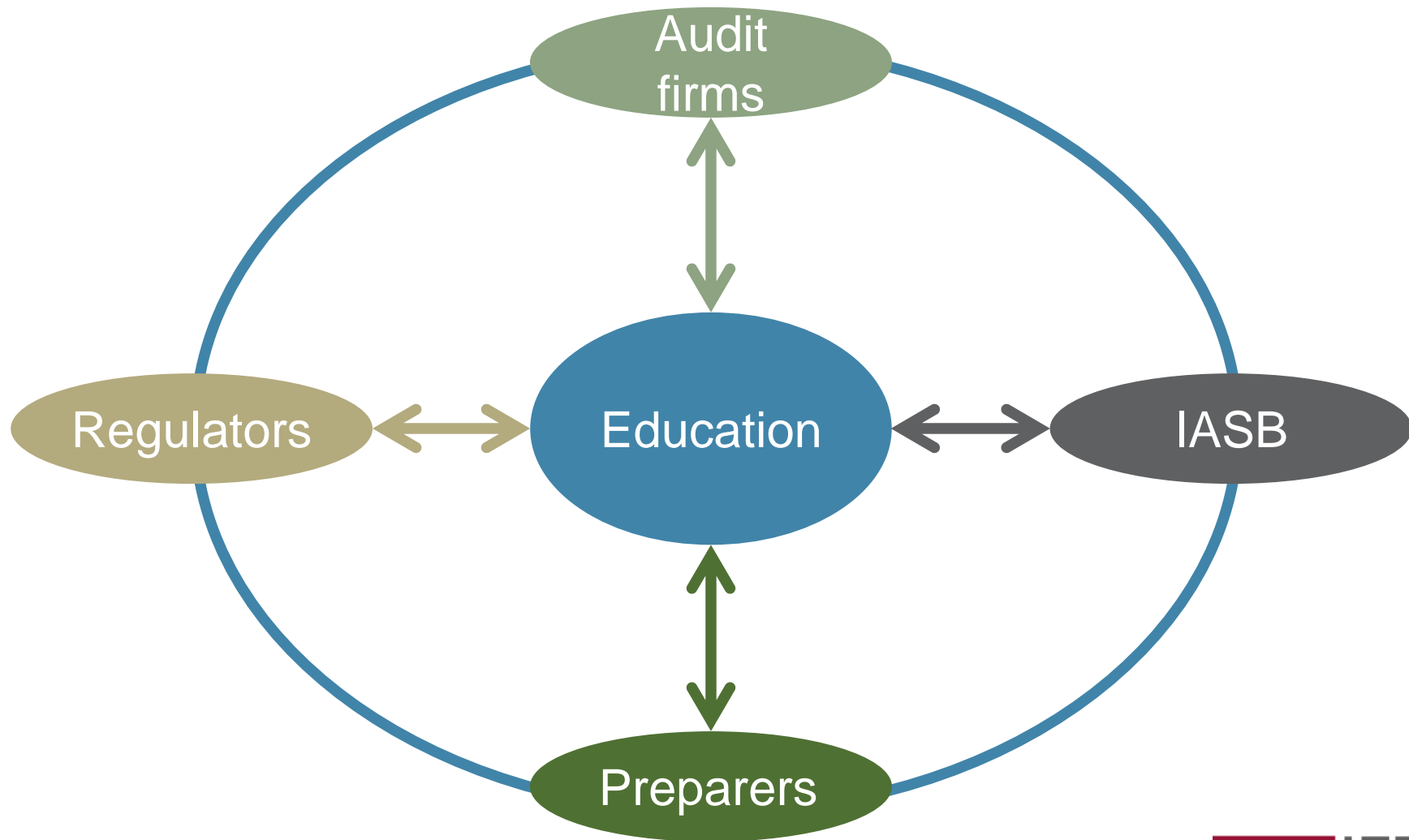
### Consistent application

- Awareness of international developments, particularly interpretation decisions
- Constant communication of regulatory decisions, interventions and actions
- Forums for discussion:
  - Understanding application of (especially new) IFRSs
  - Surface any problems arising early
  - Discuss and conclude on appropriate actions
- Feedback into education processes

# Application of IFRS

## *Who does what?*

5



# Application of IFRS

## *Who does what?*

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### Audit firms

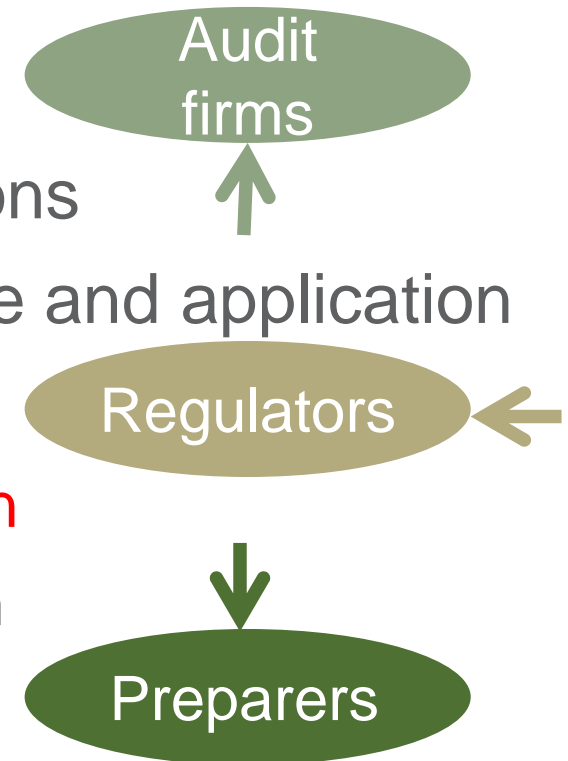
- Identification of implementation questions
- Foster ongoing development of practice and application

### Regulators

- Encourage timely & faithful implementation
- Monitor and enforce consistent application

### Preparers

- Understand objectives and principles of IFRS Standards
- Understand user information needs
- Contribute to ongoing practice development



# Application of IFRS

## *Who does what?*

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### IASB



- **Maintain IFRS Standards/support** consistent application
- **Support implementation** of new IFRS Standards
- Support those responsible for consistent application
- Support **education initiatives**

### Educators



- **Initial and continuous** education
- Stay **aware of developments**
- Ensure education **stresses judgements** (soft skills) as much as technical aspects (harder skills)
- Educate all players

# Maintenance of IFRS Standards

## *IASB 'toolbox'*

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Post-implementation reviews

Narrow-scope amendments

IFRIC Interpretations

Annual Improvements

Other resources

Agenda Decisions

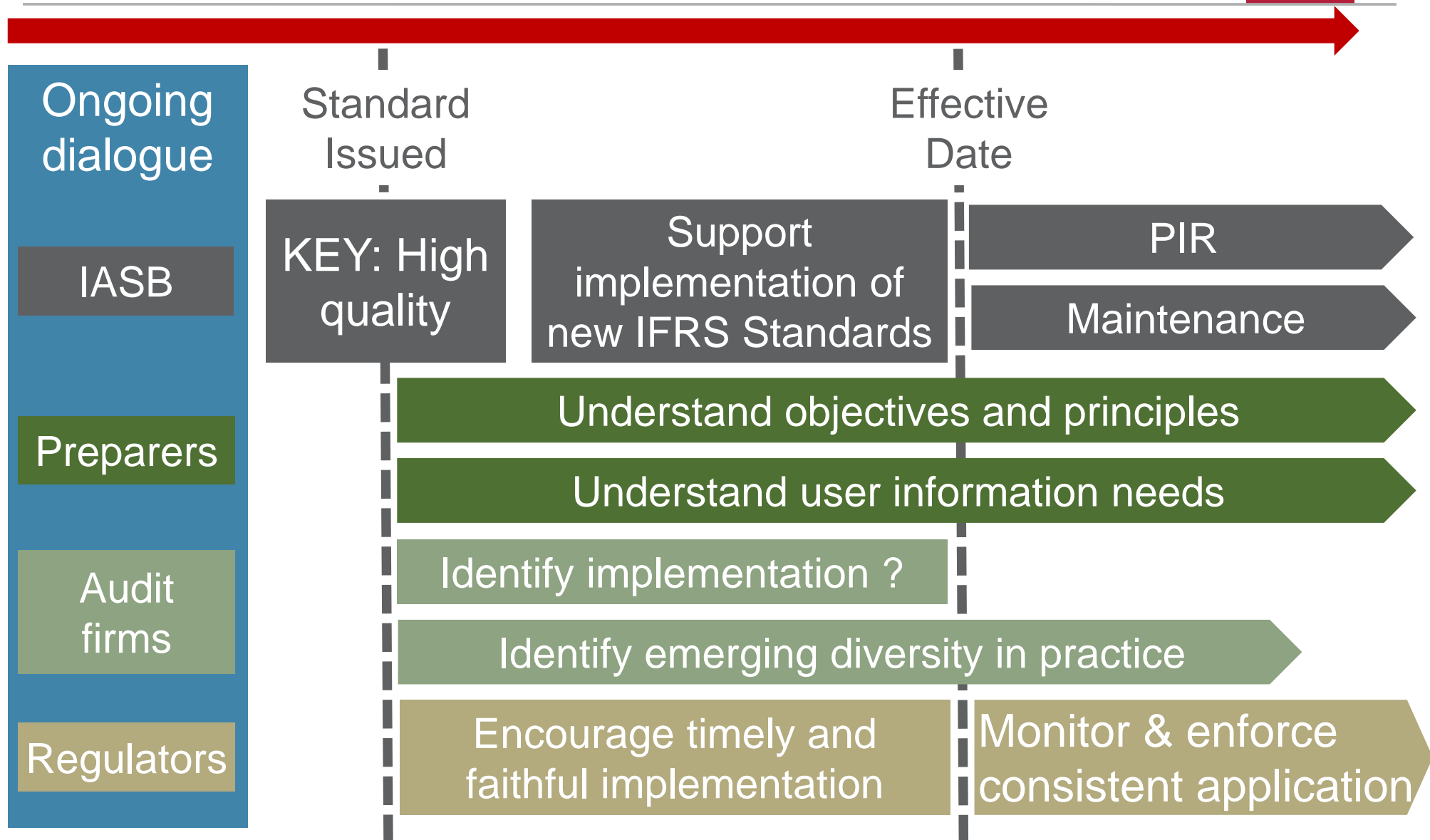
Education Initiative activities



# Support effective implementation

## *New IFRS Standards*

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# Thank You

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