

IFRS 9 & 15

**IFRS 9 Financial
Instruments**

**IFRS 15 - Revenue
from
Contracts with
Customers**

The International Accounting Standards Board (IASB) issued IFRS 9 Financial Instruments on 24th July 2014. This new Standard is applicable for an annual reporting period beginning on or after 01 January 2018.

IFRS 9 which replaced IAS 39, introduced new requirements for:

- 01 Classification and measurement of financial assets
- 02 Impairment
- 03 Classification and measurement of financial liabilities
- 04 Hedge Accounting

IFRS 9 Financial Instruments

IFRS 9 includes

A logical model for classification and measurement

A single, forward-looking 'expected loss' impairment model

A substantially-reformed approach to hedge accounting

IFRS 9 impacted following major areas of financial statements:



IFRS 9 Financial Instruments

Insights Advisory provides an in-depth training and implementation guidance on IFRS 9 Financial Instruments. It provides numerous examples and illustrations to explain the business model and cash flow characteristics test for classification of financial assets, amortized cost and fair value measurement of financial assets and financial liabilities, de-recognition of financial assets (retained servicing, continuing involvement etc.), measurement of expected credit losses and the accounting and impact of different types of hedges on financial statements. In addition, it covers the disclosures in IFRS 7 and the principles of fair value measurement in IFRS 13.

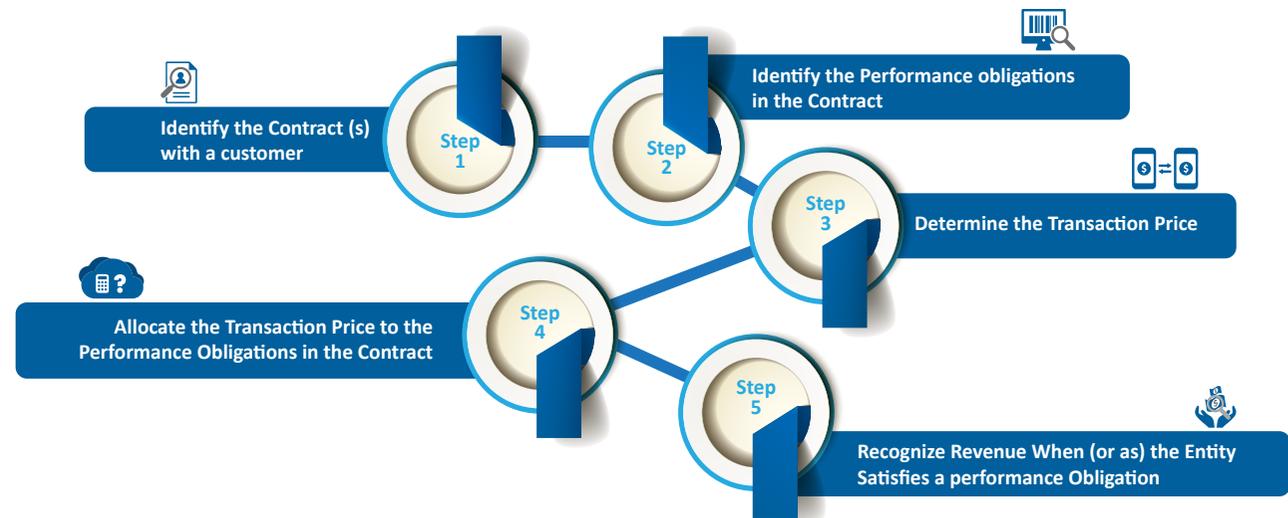
IFRS 15 - Revenue from Contracts with Customers

On 28 May 2014, the International Accounting Standards Board (IASB) published a new standard on accounting for revenue, IFRS 15 - Revenue from Contracts with Customers, which is applicable for entities reporting in accordance with IFRS for an annual reporting period beginning on or after 01 January 2018.

IFRS 15 supersedes the following:

| | |
|---|---|
| IAS 11 Construction Contracts | a |
| IAS 18 Revenue | b |
| IFRIC 13 Customer Loyalty Programmes | c |
| IFRIC 15 Agreements for the Construction of Real Estate | d |
| IFRIC 18 Transfers of Assets from Customers | e |
| SIC 31 Revenue – Barter Transactions Involving Advertising Services | f |

IFRS 15 introduced five steps forming part of the Core Principle for the recognition of Revenue.



Major sectors effected due to new requirements of IFRS 15 are as follows:



IFRS 15 - Revenue from Contracts with Customers

Following major areas of financial statements are affected by the requirements of IFRS 15:

Insights Advisory provides complete training in the background, scope and principles under IFRS 15 Revenue from Contracts with Customers, and the application of this Standard.

Areas covered include the principles for the recognition of revenue to the sale of goods, services, licenses, royalties, and any variable consideration or modifications to contracts; and guidance is provided on how these principles should be applied by using the new five step revenue recognition model.

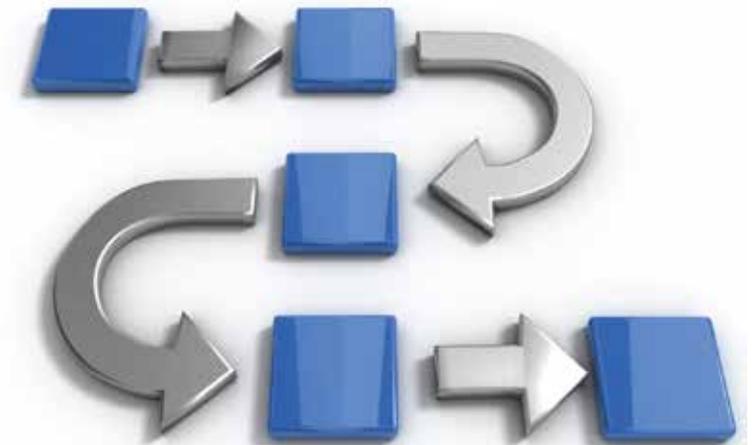


Implementation Methodology

We understand that some of your key challenges will be managing momentum and commitment, timely completion, ensuring knowledge transfer and dealing with evolving regulations and standards. In order to address your challenges, we have customized our approach to your needs and hand-picked a team that has significant hands-on experience of applying IFRS, globally and locally.

We have built into our approach a response to what we believe will be your challenges and needs. Accordingly, we propose carrying out the following for the effective and efficient implementation of IFRS:

- Diagnostic review (identification of differences between outdated standards and accounting policies applied by the Company and latest IFRS);
- Review of policy choices available under IFRS;
- Recommendation on the options available under the latest IFRS for the Company;
- High level IT gap assessment suggesting changes to IT environment;
- Quantification of impact and preparation of the balance sheet and income statement as per the latest IFRS;
- Assistance with IFRS based financial closing; and
- Facilitate knowledge transfer for ongoing IFRS reporting.”



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