



## Summary of IFRS (SMO 7) Workshop

### Presenters:

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- Mr. Takeshi Takada, Manager, Japanese Institute of CPAs
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- Mr. Adrian Lim, Senior Manager, IFAC

### Key Takeaways and Questions

Common challenges in meeting this requirement and adopting and implementing accounting standards include:

- Inherent difficulty in implementing the standards.
- Time gap between issuance and translation, socializing, and approving at the local level.
- Bottlenecks at the regulatory level.
- After adoption, training and education, implementation support and guidance.
- Resources and infrastructure to adopt and implement (including cost).
- Application – IFRS for SMEs too big for small companies.
- Translations – Divergence between tax requirement and IFRS.

Practical solutions to explore/consider:

- Cooperation, communication, and/or partnership with stakeholders (local, regional, and international).
- Leverage all education opportunities and materials from IFAC, IFRS Foundation (IASB and ISSB), and other sources – guidance, publications, interactions. Consider translating and/or providing local context to help local stakeholders.
- Establish the role of regional organization (such as AFA) as a platform to support implementation and encourage collaboration.
- Engage with national standard setter and encourage participation in their standard-setting process (e.g., provide comments to relevant consultations).
- Establish MOUs with tax authorities to progress reconciliation and explore joint training and discussion activities.
- Serve as a special advisor to support stakeholders' adoption and/or implementation journey.

PAOs may consider the following actions to support adoption and implementation of IFRS (or any other international standards):

- Nominate members/representatives to the standard-setting body and other strategic bodies/committees relevant to standards adoption and implementation. For example, PICPA nominates members to the Philippine Financial Reporting Standards Council pursuant to the Implementing Rules and Regulations of the Philippine Accountancy Act of 2004.
- Disseminate relevant information, tools, and resources on new standards.
- Work with relevant stakeholders (local, regional, and/or international) to organize seminars, conferences, trainings, etc. on new standards and current topics.
- Encourage and facilitate participation in standard-setters' consultation by conducting local outreach and providing comments to the consultation.
- Establish a joint national working group to facilitate mutual learning and sharing. For example, JICPA organized an IFRS Study Group led by Mr. Tatsumi Yamada, former IASB member.



*In assessing a PAO's role in supporting IFRS adoption and implementation in their jurisdiction, does IFAC coordinate with relevant stakeholders, such as the IFRS Foundation (including the IASB)? How does IFAC see this in the context of information published by both organizations in term of adoption and implementation status?*

IFAC considers assessment conducted by relevant standard-setting bodies as one of its sources of information in assessing PAOs' role in supporting adoption and implementation. For example, IFAC considers information published by the IFRS Foundation on the use of IFRS and is considering doing the same for IPSAS, based on IFAC and CIPFA's [International Public Sector Financial Accountability Index](#).

*What are PAOs' roles in the IFRS adoption journey? Can you elaborate on examples of initiatives and activities that support IFRS adoption and implementation?*

To support IFRS for SMEs adoption and implementation in the Philippines, PICPA leverages its network of chapters around the country to dissemination information on the standard and build stakeholders' awareness. Technical resources are sent from the central Manila chapter to regional chapters to facilitate seminars and trainings. A PAO's structure and network is potentially one of the most effective platforms to reach out to wider group of stakeholders in the jurisdiction.

JICPA focuses on developing the capacity of international accounting personnel in Japan by establishing relevant IFRS committees and study groups. These also serve as a platform to facilitate engagement with key stakeholders, such as the IASB and IFRS Asia Oceania Office in Japan. JICPA is leveraging the IFRS framework-based teaching materials to build the capacity of especially its young generation of accountants.

*Based on your observation and experience, what are some effective measures to build the capacity of accountants in your jurisdiction to support IFRS adoption and implementation? Does your organization have any education initiatives on this?*

PAOs must consider a combination of learning platforms and tools that may include continuous training courses, larger seminars and conferences, and an inquiry hotline to respond to members' inquiry. PAOs may also leverage the expertise and resources of their partners, particularly the large firms with their extensive network in the region. Experts from these firms can work with the PAOs in leading the dissemination process.

*How do you embed the latest IFRS knowledge into your professional and academic curriculum?*

PAOs are encouraged to explore possibilities to be represented at relevant national education committees to promote standardization of accounting education and influence updating of professional and academic curriculum. The curriculum needs to be responsive to the latest developments in the profession, including on new standards. Work with stakeholders in the education sector to build awareness and disseminate the latest information. For example, organize an accountancy week to bring together leaders of the profession, practitioners, and stakeholders in the education sector. PAOs are encouraged to focus on one of the key principles of meeting IFAC requirements: disseminating information and updates from various standard-setting bodies, including stakeholders in the education sector. Amending/updating curriculum takes time and should follow a proper due diligent process to make sure the updates are meaningful, and supports are available.

*Will the introduction of the ISSB and their expected standards on sustainability have any impact on IFRS adoption and implementation?*

It remains to be seen how the latest developments in sustainability reporting will impact PAOs and their stakeholders' efforts in adopting and implementing IFRS. PAOs need to consider how to prioritize their resources focusing on building on their current progress and compliance with requirements. On sustainability, PAOs are encouraged to focus on understanding the landscape, including its key players/stakeholders. Further, PAOs need to leverage available information tools and resources published by IFAC, the IFRS Foundation and ISSB, and other stakeholders.

