



26 and 28 November 2018 · Vienna, Austria

EXECUTIVE IFRS WORKSHOP FOR REGULATORS

Organized by the World Bank's Centre for Financial Reporting Reform



Under the auspices of

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FINANCIAL INFORMATION: CATALYST FOR ECONOMIC INTEGRATION

EXECUTIVE IFRS WORKSHOP FOR REGULATORS

An increasing number of banks, insurance companies and listed companies prepare financial statements in accordance with International Financial Reporting Standards (IFRS). Investors, lenders and other stakeholders use information from these financial statements as inputs to inform their economic decisions. They also rely on the reports of the external auditors who audit these financial statements. Financial and audit regulators are responsible for reviewing these financial statements for compliance with the specified accounting and auditing standards.

Reliable reporting by banks and listed companies is critical to financial stability and the development of capital markets in developing countries, for several reasons. IFRS have just undergone significant changes to address issues that arose during the global financial crisis. Bank regulators need to update their understanding of the new standards and to anticipate the implementation challenges the recent changes are likely to pose. To do that, regulators cannot rely exclusively on the supervised entities' auditors. Instead, financial regulators need to develop their own capacity to enforce the standards, independently from other regulation or supervision.

This workshop is organized jointly by the World Bank Centre for Financial Reporting Reform (CFRR) and the IFRS Foundation. It aims to provide senior staff of regulatory agencies with tools and skills to discharge their supervisory duties over banks more effectively.

The workshop will have a specific focus on those new IFRS that must be applied from 1 January 2018; in particular, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. It will also review the requirements and possible implementation challenges for IFRS 17 Insurance Contracts.

Participants will learn how supervisors can engage more confidently with IFRS-based financial information when reviewing prudential returns.

A board member of the International Accounting Standards Board (IASB), senior IFRS experts, and leading industry practitioners will:

- Provide an understanding of the World Bank vision on how transparency is an essential element for development through leveraging public and private cooperation and financial markets;
- Explore the implementation of new standards, the application of which became mandatory from 1 January 2018, including IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers, and IFRS 17 Insurance Contracts;

- Update participants on a range of cross-cutting issues including fair value measurement and disclosure initiatives that aim to improve the decision-usefulness of financial information; and
- Provide an understanding of major new IFRS requirements that have been issued by the IASB with mandatory effective dates later than 2018.

In all sessions dedicated to IFRS, participants will consider examples that are designed to enhance their understanding of the judgments made when applying IFRS, particularly in accounting for financial instruments.

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09:00 Joint morning event with the Senior Officials' Workshop

14:00 Welcome remarks and introduction

Ms. Adenike (Nike) Oyeyiola · *Practice Manager, Governance Global Practice, The World Bank*

Mr. Pascal Frerejacque · *Senior Operations Officer, CFRR, The World Bank*

14:10 How transparency contributes to development

Mr. Andreas Jobst · *Adviser to the Managing Director and Chief Financial Officer, The World Bank*

Objective: understand the World Bank vision on how transparency is an essential element for development through the leverage of public and private cooperation and leveraging financial markets.

14:30 IASB's disclosure initiative projects and the management commentary practice statement

Ms. Ann Tarca · *Board Member, International Accounting Standards Board*

Objective: understand the aims of the disclosure initiative projects, including the focus on including relevant and material information in financial statements.

15:30 Coffee break

16:00 Cut the clutter in IFRS financial statements

Mr. Michael Wells · *Consultant, CFRR, The World Bank*

Objective: understand how to regulate the correct application of financial statements in practice. The review of financial statements will be discussed through practical experience examples.

17:15 End of Day 1

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08:45 Agenda of the day

08:50 Accounting for collateral and foreclosed collateral

Mr. Michael Wells · *Consultant, CFRR, The World Bank*

Objective: understand how to account for the effects of collateral in accordance with IFRS 9 and how to account for foreclosed collateral in accordance with IFRS.

10:00 IFRS 9 - Implementation impact and challenges

Mr. Heiner Klein · *Director, EY*

Objective: understand the day 1 impacts of the implementation of IFRS 9 in the banking sector.

10:30 Coffee Break

10:45 Panel discussion: Implementing IFRS 9 - challenges and opportunities

Mr. Pascal Frerejacque · *Senior Operations Officer, CFRR, The World Bank*

Ms. Martina Drvar · *Vice Governor, Central Bank of Croatia*

Ms. Ann Tarca · *Board Member, International Accounting Standards Board*

Mr. Guido Sopp · *Deputy Head, IFRS Enforcement, FMA Austria*

Mr. Ulf Leichsenring · *Head of Accounting and Reporting, Raiffeisen Bank International*

Mr. Heiner Klein · *Director, EY*

Objective: discuss the impacts of IFRS 9 on the financial statements of banks, on core equity and on the organization of controls in banks. Understand the challenges and opportunities of implementing the new expected credit loss model.

12:30 Lunch

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13:45 Implementing new and forthcoming IFRS requirements

Mr. Michael Wells · *Consultant, CFRR, The World Bank*

Objective: Provide an understanding of new IFRS requirements effective in 2018, (IFRS 15, IFRIC 22 and selected amendments) and those forthcoming in 2019 (IFRS 16 Leases, IFRIC 23 and selected amendments).

15:00 Coffee Break

15:30 Preparing to regulate the implementation of IFRS 17 Insurance Contracts

Ms. Andrea Pryde · *Technical Manager, International Accounting Standards Board*

Objective: understand the requirement of the standard and necessary steps to prepare for its implementation

17:00 End of Day 2

SPEAKERS / JOINT STAREP, EU-REPARIS AND PULSAR COMMUNITIES OF PRACTICE SESSIONS



MARTINA DRVAR

Vice Governor, Central Bank of Croatia

Martina Drvar is the Vice-governor of the Croatian National Bank (CNB) since July 2018, where she coordinates and manages the Prudential Regulation and Supervision Area. Vice-governor Drvar started her career at the CNB in 1997 and has over 20 years' experience in banking supervision. She previously served as Head of the Working Group in the area of bank supervision during the negotiations between the Republic of Croatia and the European Union in 2006, and as the director responsible for supervisory reporting and banking system analysis in 2013. In 2015, she joined the European Central Bank as Joint Supervisory Team Coordinator.



HEINER KLEIN

Director, EY

Heiner Klein is Director with EY Austria responsible for serving Austrian and international clients with more than 15 years of experience in accounting and regulatory topics. He leads the Austrian Financial Services Risk Management team at EY. Before that he was Head of Group Accounting in a major Austrian Banking Group and specialist for technical accounting in the Austrian Financial Markets

Authority (FMA).



ULF LEICHSENRING

Head of Accounting and Reporting, Raiffeisen Bank International

Ulf Leichsenring, Head of Group Accounting & Reporting, studied business administration at Vienna University of Economics and Business. He started his professional career at RZB where he built up the consolidation department and was responsible for consolidated regulatory reporting. He managed the introduction of IAS/IFRS in 2000 and organized the reporting of Raiffeisen International since the IPO in 2005. In RBI he took over the Group Accounting & Reporting after the merger of RZB banking operations with RI in 2011. He was also responsible as a Business Program Manager for IFRS 9 implementation in RBI.



ANDREA PRYDE

Technical Manager, International Accounting Standards Board

Andrea Pryde is a member of the staff of the International Accounting Standards Board, the private sector independent body responsible for developing the single set of high quality International Financial Reporting Standards required for use in over 160 countries. Andrea is responsible for strategic direction for all implementation support activities relating to IFRS 17, the first comprehensive and truly international standard for insurance contracts. Andrea is also responsible for delivering operational improvements within the technical standard-setting team with a focus on the efficacy of project management, resource allocation and support functions.



GUIDO SOPP

Deputy Head, IFRS Enforcement, FMA Austria

Dr. Guido Sopp, CFE leads the Team Accounting and IFRS Enforcement at the Austrian Financial Market Authority. He is specialized in the accounting of financial instruments and related issues in prudential regulation. Mr. Sopp chairs the IFRS 9-Workstream at the European Banking Authority EBA and is member of the Austrian Accounting Standard Setter AFRAC. Besides, he is a speaker at various IFRS 9-events, holds IFRS courses at Vienna University and published several articles on financial instruments accounting. Previously, Mr. Sopp worked for a Big-4 accounting firm.



ANN TARCA

Board Member, International Accounting Standards Board

Ann Tarca joined the International Accounting Standards Board from the University of Western Australia's Business School, where she was an accounting teacher and researcher since 1996 and a professor since 2011. Professor Tarca served as a member of the Australian Accounting Standards Board (AASB) from 2014 to 2017 and was research director for the AASB from February 2017. She was an academic fellow of the IFRS Foundation from 2011 to 2012. She has authored a text book on accounting and written a wide range of research papers related to IFRS, for which she has received many awards. Professor Tarca is an active member of the international accounting academic community, having served on several boards and committees.



ANDREAS JOBST

Adviser to the Managing Director and CFO, The World Bank

Previously Andreas Jobst was responsible for monetary and financial sector policy of the euro area in the European Department of the International Monetary Fund (IMF). Until 2014, he spent three years as Chief Economist and Deputy Director (Supervision) of the Bermuda Monetary Authority (BMA). During this time, he was heavily involved in the International Association of Insurance Supervisors (IAIS) as member of the Financial Stability Committee (FSC) and served as Vice-Chair of the Financial Stability Data Specialists Subcommittee (FSD). Before his appointment at the BMA, Andy was a mid-career economist at the IMF, where served as one of the main authors of the Global Financial Stability Report (GFSR) and led the stress testing exercises (solvency/liquidity) as part of the Financial Sector Assessment Program (FSAP). He also worked at the Federal Deposit Insurance Corporation (FDIC), the Deutsche Bundesbank, the European Central Bank (ECB), the Bank of England, and Deutsche Bank (London). Andy also has a military background, having recently served in the Royal Bermuda Regiment (2011-2014); he is reserve officer (Lieutenant-Colonel) in the German Armed Forces.



ADENIKE (NIKE) OYEYIOLA

Practice Manager, Governance Global Practice, The World Bank

Adenike (Nike) Oyeyiola is Practice Manager for Governance Standards, Codes and Systems Unit in the Governance Global Practice of the World Bank. Her unit cover issues related to corporate financial reporting (CFR), standards and codes around transparent financial management in public and private sectors, corporate governance, state-owned enterprises (SOEs), technology and integrated digital solutions for governance, and public expenditure and financial accountability. She has worked on various countries in Africa, South Asia, East and Central Asia, led dialogues and provided strategic policy advice to governments and private sector. Prior to joining the World Bank, Nike worked in Ernst & Young on assurance and advisory services with a focus on high risk auditing and consulting tasks.



PASCAL FREREJACQUE

Senior Operations Officer, CFRR, The World Bank

Pascal Frerejacque advises countries on enhancing their financial reporting, corporate governance, and auditing practices, and leads activities for the financial supervisors across the CFRR regional programs, EU-REPARIS and STAREP. He has led the delivery of country programs on accounting and auditing reform and SOE monitoring in Croatia, the Czech Republic, and Serbia. At the CFRR, Pascal led the publication of several accounting and auditing assessments under the Reports on the Observance of Standards and Codes program (ROSC A&A), and other knowledge products: Corporate Sector Accounting and Auditing in the European Union (2015), Banking Supervisors and Auditors: Building a Constructive Relationship (2016), Guides to reviewing financial statements for supervisors (2017), Croatia' European Union Accession: case studies on accounting and auditing reform (2017).



MICHAEL WELLS

Consultant, CFRR, The World Bank

Michael Wells CA(SA) is Professor of Practice at Imperial College Business School and a World Bank consultant, working to deepen understanding of international financial reporting requirements and fostering capacity to make/audit/regulate the judgments necessary to apply them. For over a decade, he led the IASB's Education Initiative. He serves on the American Accounting Association (AAA) Membership Advisory Committee. Before that he served the on the AAA Education Committee and the AAA Innovation in Accounting Education Award Committee. For nearly a decade he served as a member of the IFAC IAESB Consultative Advisory Group and the IAAER Board of Advisors.