



<p>Background</p>	<p>The Institute of Chartered Accountants of Nepal (ICAN) has announced the implementation of NFRS in Commercial Banks from fiscal year 2015/16. However, Nepal Rastra Bank has issued its directive to commercial banks to prepare their financial statements of 2017/18 based on NFRS. NFRS is principle based a high quality standard which is divergent to local GAAP. Adoption of NFRS impacted greater areas including financial reporting as well as loan loss provisioning requirements. Out of these Financial Instruments, Interim Financial Reporting, Segmental Reporting, Employees Benefits are important. Interim Financial Reporting and Segmental Reporting requires greater disclosure of information in interim as well as annual reporting. Whereas NFRS on Financial Instruments has greater impact on presentation, classification, measurement and disclosure of financial instrument including loan loss provisions.</p> <p>The Local GAAP consist of rules on loan loss provisions prescribed by NRB, whereas NFRS prescribe principles to recognize impairment loss on loan and advances based on incurred loss model. This requires changing the total mechanism of loan loss provisions and requires large volume of past data. The impairment loss determination task is not only the responsibility of Finance Team but it also require rigorous involvement of people from credit department and IT department. In this regard, we have planned to conduct a comprehensive training programme on Financial Instruments, Interim Financial Reporting, Segmental Reporting and Employees Benefit Accounting.</p>
<p>Contents</p>	<p>Introduction on NFRS</p> <p>Sub contents:</p> <ul style="list-style-type: none"> • Introduction of NFRSs • Component of Financial Statement • Regulatory Requirement Vs NFRS • Implementation Modality • Carve out, its applicability period and reasons of Carve out <p>Interim Financial Reporting</p> <p>Sub contents:</p> <ul style="list-style-type: none"> • Component of Interim Financial Reporting • Condensed Vs Full Reporting • Frequency of Reporting • Explanatory Notes

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<ul style="list-style-type: none"> • Format of Interim Financial Reporting
Segmental Reporting
Sub contents: <ul style="list-style-type: none"> • Operating Segment • Reportable Segment • Segmental Reporting Requirement • Management Reporting Vs Financial Reporting and its consequences on Segmental Reporting • Format of Segmental Reporting
Employees Benefits
<ul style="list-style-type: none"> • Types of Employees Benefits • Accounting of Employees Benefits • Measurement of amount of benefits • Actuarial Valuation • Need of Actuarial Valuation in Interim Financial Reporting • Assumptions for Valuations • Treatment of Actuarial Gains/Losses • Disclosure of Employees Benefits
Financial Instruments : Classification
Sub contents: <ul style="list-style-type: none"> • Definition of Financial Instrument • Business model of the entity to hold the financial instruments • Classification of Financial Instruments at Fair Value or Amortised Cost
Financial Instruments : Measurement
Sub contents: <ul style="list-style-type: none"> • Measurement of Financial Instruments at Fair Value or Amortised Cost • Subsequent measurement as changes in fair value in profit or loss or OCI • Determination of Fair value of Financial Instruments • Fair Value other than transaction cost
Financial Instruments : Impairment
Sub contents: <ul style="list-style-type: none"> • Impairment loss on Incurred Loss Model • Indicator of loss incurred • Practical cases of determination of Impairment loss • Determination of PD, LGD and EAD • Determination of historical loss rate
Database Requirement & Roles of Credit Department in Impairment Loss Measurement
<ul style="list-style-type: none"> • Database requirement of historical loss rate • Indicator of loss incurred • Practical cases of determination of Impairment loss • Determination of PD, LGD and EAD
NAS 39 & NFRS 9 Vs IFRS 9: Likely impact on Impairment
Sub contents: <ul style="list-style-type: none"> • NAS 39 & NFRS 9 Vs IFRS 9

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	<ul style="list-style-type: none"> • 12 month impairment loss & life time impairment loss • Significant increase in credit risk and rebuttable assumptions of increase in credit risk • Likely impact on impairment loss as per IFRS 9
	Practical Exercise
	Sub contents: <ul style="list-style-type: none"> • Practical problem to calculate impairment loss based on incurred loss model. • Questions and Answers
Program delivery	Lecture, Discussion/interaction, case-studies
Date	9th to 14th June 2019 (7:00 am to 9:00 am) and 15th June 2019 (8:00 am to 3:15 pm)
Facilitator/s	Details of Facilitator/s Jagdish Kumar is a gold medalist Chartered Accountant qualified from The Institute of Chartered Accountants of Nepal in 2009. He has been working in Nepal Rastra Bank since last 7 years. He has served in different department of NRB and currently working in Banks and Financial Institutions Regulation Department, Policy & Planning Desk. He has played instrumental role in formulation of NFRS based format of financial statements, Directive no. 4 and New Capital Accord based on Basel III formally known as Capital Adequacy Framework 2015. He is a good speaker/instructor and has delivered different instructions on NFRS, Basel II, Basel III, Risk Management, RBIA, AML/CFT, IFRS etc. He is also tutor of NFRS for different level of chartered accountancy course.

Program Session Plan

Program Itinerary:

Day I

Time	Details
9th June 2019 (7:00am-9:00am)	Session I Introduction of NFRS

Day II

Time	Details
10th June 2019 (7:00am-9:00am)	Session I Interim Financial Reporting

Day III

Time	Details
11th June 2019 (7:00am-9:00am)	Session I Segmental Reporting

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Day IV

Time	Details
12th June 2019 (7:00am-9:00am)	Session I Employees Benefit Accounting

Day V

Time	Details
13th June 2019 (7:00am-9:00am)	Session I Financial Instruments : Classification

Day VI

Time	Details
14th June 2019 (7:00am-9:00am)	Session I Financial Instruments : Measurement

Day VII

Time (15th June 2019)	Details
8:00 am	Introduction
8:00am - 9:30am	Session 1 Financial Instruments : Impairment
	Tea Break (15 minutes)
9:45am- 11:15am	Session II Database Requirement & Roles of Credit Department in Impairment Loss Measurement
Lunch Break (45 minutes)	
12:00pm-1:30pm	Session III NAS 39 & NFRS 9 Vs IFRS 9: Likely impact on Impairment
	Tea Break (15 minutes)
1:45pm-3:15pm	Session IV Practical Exercise on Impairment

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