



## Background

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 require 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.

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.

### Program Details

**Date:** 1st and 2nd Nov , 2023

**Time/Duration:** 7.00am-11:00am(3.75 hrs each day)

**Venue:** NBI Hall, Naxal

**Target Audience:** Credit Officers, Internal Auditors and Finance Team (Up to AM Level)

**Nomination Deadline:** Two days before the program deadline.

# Program Details

## Program Content

Session Plan	Content
Session 1	<b>NAS 19: Employees Benefits</b> <ul style="list-style-type: none"><li>• Measurement of obligation on Gratuity, Leave, Medical Benefits etc.</li><li>• Valuation technique and data requirement</li></ul>
Session 2	<b>NFRS 16: Lease Accounting</b> Classification of lease, straight line accounting, Lease as per NFRS 16
Session 3	<b>NAS 12: Income Tax</b> <ul style="list-style-type: none"><li>• Deferred tax and current tax</li><li>• Taxable temporary differences as well as deductible temporary difference</li><li>• Accounting of deferred tax in profit or loss; or other comprehensive income</li></ul>
Session 4	<b>NFRS 9: Classification and Measurement of Financial Instrument</b> <ul style="list-style-type: none"><li>• Classification of financial instrument as FA, FL or Equity</li><li>• Amortized Cost or Fair Value accounting</li><li>• Recognition at profit or loss; or other comprehensive income</li></ul>
Session 5	<b>NFRS 9 : Impairment Testing-Expected Loss Model</b> <ul style="list-style-type: none"><li>• Incurred Loss Model</li><li>• User of Effective Interest rate method</li><li>• Determination as per Expected Loss Model</li><li>• PD, LGD, EAD etc.</li></ul>

## Program Delivery Method

Lectures, Discussions, Interactions and Case Studies.

## Facilitator's Profile

### **Mr. Jagdish Kumar**

Mr. 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. As a speaker, he has also delivered different instructions on NRFS, Basel II, Basel III, Risk Management, RBIA, AML/CFT, IFRS etc. He is also tutor of NFRS for different level of chartered accountancy course.