The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

HEAD OFFICE

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ALL MEMBERS OF THE INSTITUTE

Dear Member

Accounting Guidance
Application of IFRS 9 by Non-Banking Finance Companies

The Accounting Standard Board with the objective to facilitate Non-Banking Finance Companies (NBFCs) in the implementation and transition to IFRS 9, *Financial Instruments*, has developed the Accounting Guidance *'Application of IFRS 9 by Non-Banking Finance Companies'*.

This Accounting Guidance aims to assist NBFCs in developing consistent understanding and effective application of IFRS 9, and discusses key areas of IFRS 9, including:

- Classification and measurement of financial assets and financial liabilities;
- Application of Expected Credit Loss (ECL), and interaction of ECL with the time-based classification and provisioning requirements provided in the Non-Banking Finance Companies and Notified Entities Regulations 2008; and
- Disclosure requirements.

You can also access the publication at https://www.icap.net.pk/accounting-guidancetools

The Accounting Standards Board with objective to ensure consistent application of financial reporting framework also provides implementation support to the stakeholders. In context of IFRS 9 application by NBFCs, Accounting Standards Board would welcome the opportunity to respond to the emerging accounting issues raised by the stakeholders.

Yours truly

Sohail Malik
Director Technical Services

Encls: As above

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