



**The Institute of
Chartered Accountants
of Pakistan**

**CA
PAKISTAN**

HEAD OFFICE

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ALL MEMBERS OF THE INSTITUTE

Dear Member

Publication of Financial Reporting Guidance

Key financial reporting considerations for going concern assessment under the COVID-19 situation

In continuation of the Institute's series of publications on the financial reporting implications under the COVID-19 situation, please find enclosed the publication '*Key financial reporting considerations for going concern assessment under the COVID-19 situation*'. The Institute's Technical Services team has prepared this publication to help members and other stakeholders in their preparation of financial statements of companies.

In the prevalent adverse economic and business conditions, there is a likely increase in the events and circumstances which may cast significant doubt on a company's ability to continue as going concern. Due to these adverse conditions and indicators of going concern uncertainty, the preparers of financial statements are required to critically assess the going concern basis of accounting.

The publication in consideration of the COVID-19 related events and conditions, and financial reporting requirements relating to the going concern:

- Summarizes key concepts and requirements for going concern assessment under IAS 1, *Presentation of Financial Statements*;
- Provides examples of conditions and circumstances that could indicate going concern uncertainty;
- Highlights key considerations for management in identifying and assessing the going concern uncertainties and providing adequate disclosures in the financial statements; and
- Provides extracts from annual and interim reports of various international companies - relating to going concern assumption as disclosed and discussed in the financial statements and auditors' reports of these companies.

You can also access the publication at:

<http://www.icap.net.pk/wp-content/uploads/2020/07/FinancialReportingGuide-Key-considerations.pdf>

We hope you find the publication helpful.

Yours truly


Sohail Malik
Director Technical Services

Encls: As above

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Chartered Accountants Avenue, Clifton, Karachi-75600 (Pakistan). Ph: (92-21) 111-000-422, Fax: 99251626

Website: www.icap.org.pk, E-mail: info@icap.org.pk