



ZAMBIA INSTITUTE OF CHARTERED ACCOUNTANTS

**OPENING REMARKS BY THE ACTING ZICA
CEO – MS. PATRICIA M HANTUMBA DURING
THE INTERNATIONAL FINANCIAL
REPORTING STANDARDS (IFRS) UPDATES
TRAINING WORKSHOP HELD AT TAJ
PAMODZI HOTEL, LUSAKA ON 11TH TO
12TH NOVEMBER 2021**

COUNCIL MEMBERS PRESENT,
MEMBERS OF THE INSTITUTE,
RESOURCE PERSONS,
WORKSHOP PARTICIPANTS,
MEMBERS OF THE PRESS,
LADIES AND GENTLEMEN,
GOOD MORNING!

I WOULD LIKE TO WELCOME YOU ALL TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) UPDATES WORKSHOP FOR 2021 WHICH WILL TAKE PLACE OVER A TWO DAY PERIOD. ZICA ATTACHES GREAT IMPORTANCE TO THESE IFRS WORKSHOPS AS THEY PROVIDE AN AVENUE FOR MEMBERS TO ENHANCE THEIR KNOWLEDGE OF THE EVER-EVOLVING ACCOUNTING STANDARDS.

LADIES AND GENTLEMEN,

TRUST FOR THE ACCOUNTANCY PROFESSION IS CARDINAL AND WE ARE OPERATING IN AN INCREASINGLY COMPLEX AND CONNECTED BUSINESS ENVIRONMENT WHERE INVESTORS AND REGULATORS ARE DEMANDING MORE EVIDENCE OF TRUST FROM PARTICIPANTS IN THE FINANCIAL REPORTING CHAIN.

FURTHER, DEVELOPMENTS IN THE BUSINESS ENVIRONMENT ARE INCREASINGLY BECOMING MORE DYNAMIC THEREBY COMPLICATING FINANCIAL REPORTING. THEREFORE, CONSTANT CHANGES AND REVISIONS WILL CONTINUE TO CHARACTERIZE ACCOUNTING STANDARDS AND THESE CHANGES AND REVISIONS WILL CONTINUE TO BE CHALLENGING TO THE PROFESSIONAL ACCOUNTANT.

LADIES AND GENTLEMEN,

WITHOUT PRE-EMPTING WHAT THE FACILITATORS HAVE PREPARED FOR THE UPDATES SESSION, IT IS IMPERATIVE THAT WHEN IT COMES TO INTERNATIONAL FINANCIAL REPORTING STANDARDS IFRS; THE LAST FEW YEARS HAVE SEEN THE INTRODUCTION OF SEVERAL MAJOR UPGRADES TO KEY STANDARDS AND IMPLEMENTATION OF NEW STANDARDS SUCH AS IFRS 9 AND IFRS 16. THESE INNOVATIONS ARE HELPING TO PROVIDE INVESTORS AND OTHER STAKEHOLDERS WITH BETTER INSIGHTS INTO COMPANIES' FINANCIAL POSITIONS ESPECIALLY DURING THESE ECONOMICALLY STRESSFUL TIMES.

FOR EXAMPLE, THE EXPECTED CREDIT LOSS MODEL OF IFRS 9 *FINANCIAL INSTRUMENTS* MEANS INVESTORS CAN GET AN EARLIER

INDICATION OF CREDIT DETERIORATION IN A LOAN BOOK. IFRS 9'S LOAN LOSS RECOGNITION APPROACH MEANS THAT BANKS ARE REQUIRED TO ADJUST LOAN LOSS PROVISIONS ON A TIMELY BASIS THAN WAS THE CASE UNDER THE OLD ACCOUNTING STANDARD.

ON THE OTHER HAND, IFRS 16 *LEASES* IS ANOTHER EXAMPLE OF WHERE UPGRADES TO ACCOUNTING STANDARDS ARE PROVIDING INVESTORS WITH BETTER INFORMATION DURING THE PANDEMIC. SOME OF THE HARDEST HIT SECTORS ARE THOSE WITH SIGNIFICANT LEASE OBLIGATIONS SUCH AS RETAIL, TRANSPORTATION AND COMMERCIAL PROPERTY. BY REQUIRING LEASE OBLIGATIONS TO BE FULLY REPORTED ON THE BALANCE SHEET, INVESTORS HAVE BETTER INFORMATION ABOUT THE LONG-TERM VIABILITY OF COMPANIES OPERATING IN THESE SECTORS.

AS ZICA, WE HAVE SOUGHT TO PROVIDE SUPPORT AND CLARITY TO THE GENERAL MEMBERSHIP ON THE ACCOUNTING TREATMENT OF LAND IN ZAMBIA UNDER IFRS 16. THE ZICA POSITION PAPER WILL COME OUT BEFORE THE END OF THIS YEAR AS THE PAPER IS BEING CONCLUDED.

LADIES AND GENTLEMEN,

YOU WILL ALSO NOTE FROM TODAY'S PROGRAMME THAT THE TOPICS COVER THE POST IMPLEMENTATION CHALLENGES CONCERNING IFRS 9 AND IFRS 16 AS IT IS VERY IMPORTANT FOR THE INSTITUTE TO TAKE STOCK OF CHALLENGES MEMBERS ARE FACING AFTER THE IMPLEMENTATION. THE INSTITUTE IS OF THE VIEW THAT THIS APPROACH TO TRAINING IN ACCOUNTING STANDARDS WILL ADD MORE VALUE TO YOU OUR MEMBERS. OVER THE YEARS, THE TRAINING PROVIDED BY THE INSTITUTE HAVE

BEEN EMPHASIZING ON WHAT THE REQUIREMENTS OF THE STANDARDS ARE, HOWEVER, THIS YEAR, OUR FOCUS HAS BEEN ON THE PRACTICAL CHALLENGES OF APPLYING THE ACCOUNTING STANDARDS. WITH YOUR PARTICIPATION, IT IS ENVISIONED THAT THE SESSIONS WILL BE VERY INTERACTIVE AND INTERESTING.

LADIES AND GENTLEMEN,

LET ME TAKE THIS OPPORTUNITY TO REMIND YOU THAT AS WE COME TO THE END OF THE YEAR, YOU ALL HAVE A MEMBERSHIP OBLIGATION TO ENSURE THAT YOU DECLARE YOUR CPD COMPLIANCE FOR THE YEAR. THE INSTITUTE WILL DISPATCH ANNUAL CPD RETURN FORMS TOGETHER WITH ANNUAL SUBSCRIPTION NOTICES FOR THE YEAR 2022. MAY I URGE YOU ALL TO ENSURE THAT THE ANNUAL CPD RETURN FORMS ARE FILLED IN

AND RETURNED TO SECRETARIAT AS EARLY AS POSSIBLE. ADDITIONALLY, KINDLY ENSURE THAT YOU REQUEST FOR THE FORM FROM SECRETARIAT OR DOWNLOAD ONE FROM THE WEBSITE UNDER MEMBERSHIP MATTERS IN CASE YOU DO NOT RECEIVE IT BY EMAIL

LADIES AND GENTLEMEN;

ALLOW ME TO THANK ALL THE RESOURCE PERSONS, FOR ACCEPTING OUR INVITATION TO FACILITATE AT SUCH AN IMPORTANT WORKSHOP. I WISH YOU ALL AN INTERACTIVE AND EDUCATIVE WORKSHOP. IT IS NOW MY SINGULAR HONOUR AND PRIVILEGE TO DECLARE THIS WORKSHOP OFFICIALLY OPENED.

I THANK YOU.