

CA Sri Lanka takes lead in educating SMEs on IFRS

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With the convergence of Sri Lanka Accounting Standards in line with International Financial Reporting Standards (IFRS) from 1st January 2012, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) will take the lead in educating the country's Small and Medium Entities (SMEs) on the adoption of the standards at a special presentation on 9th January 2012.

This presentation will be a platform to educate SMEs on the Sri Lanka Accounting Standard for SME's (SLFRS for SMEs) and will be conducted by Mr. Sanath Fernando, Partner of Ernst & Young and member of the IFRS Implementation Group for SMEs appointed by the IFRS Foundation.

The presentation scheduled to be held at the CA Sri Lanka Auditorium, Colombo 7 will include a wide ranging outline of topics including the benefits of adopting SLFRS for SMEs, which entities are eligible to use SLFRS, detail requirements in SLFRS for SMEs, the difference between SLFRS for SME and full SLFRS/LKAS and the transition to SLFRS for SMEs from the previous SLAS.

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) is the sole authority in promulgating accounting standards in the country and by statute these standards will have to be adopted by Specified Business Entities (SBEs) in the country.

The Institute decided to adopt the IFRS for SMEs as the SLFRSs for SMEs with effect from 1 January 2012, thereby making SMEs to comply with the statutory requirement of presenting financial statements using these standards, while at the same time not be over-burdened with complex requirements of the full SLFRS.

With IFRS gaining rapid acceptance across the globe with over a 100 countries adopting it, Sri Lanka too is now in line with the global trend in enabling a common language for financial reporting processes following the adoption of IFRS. The Adoption of IFRS is a major breakthrough for companies in Sri Lanka as they will have a common, high quality and internationally accepted set of accounting and financial reporting standards and is also seen as a way forward to bring in 'more credibility' to financial reporting in the country.

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