Road to IFRS Convergence
How KPMG can help?
This is the time to prepare for transition and to ensure

- A smooth transition
- The most effective and efficient way
- No disruption to normal business and
- Managing expectations of stakeholders

We believe KPMG is the right choice for you!!

We can provide you a tailor made approach and partner in your convergence journey

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What you need to do?

- In the wake of emerging and ever-developing accounting and financial reporting landscape, together with the global acceptance of the International Financial Reporting Standards (IFRS), it has been decided by SOCPA to commence a project for reviewing and assessing existing SOCPA standards in light of the relevant IFRS.

- As per our interpretation a road map for convergence of local GAAP to IFRS has been developed as follows:

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<th>Listed companies</th>
<th>Unlisted companies</th>
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<td>Sept 2015</td>
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- IFRS balance sheet required
- Financial statements under IFRS for comparatives
- IFRS compliant Annual statutory financial statements
- IFRS compliant Annual statutory financial statements

How IFRS convergence impacts you?

Accounting, tax and reporting
- Accounting differences
- Reporting differences
- Effect on statutory / regulatory reporting

Business
- Contracts and Agreements
- Communication to financial markets
- Customer and supplier relationships
- Budget and management reporting

Systems and processes
- General ledger and sub ledgers
- Data collection
- Impact on ERP system
- Reporting package and consolidation

People and change
- Skills of individuals
- Training strategy
- Change to roles and responsibilities
- Project interdependencies

*IFRS 15 implementation issues 2015
What you need to do?

• Accounting and reporting
  – Perform an initial impact assessment, highlighting the differences between Saudi GAAP and IFRS applicable to the Company.
  – Implementation of the accounting and disclosure differences on financial statements.
  – Identify likely impacts of key accounting differences on the profit and loss.
  – Identify and address the impacts of conversion on wider business and on systems and processes.
• Systems and processes
  – Identify information and data ‘gaps’ for implementation
  – Evaluate changes needed to internal controls over financial reporting.

• Business
  – Beside the Board of Directors, develop communication plans and reduce surprises for all stakeholders, such as investors and analysts, creditors, customers and suppliers.
• People and change management
  – Develop and execute training plans for employees across functions and locations.

KPMG can efficiently and effectively help you in all of these activities

How KPMG can help in you in each step?

As Auditors we can concur / audit your conversion exercise and vet the policies as these are developed saving you duplication of efforts

We, being your auditors, know your systems, requirements, accounting complexities and challenges. Engaging us in assessing the impact of IFRS convergence will help to ensure you get the most timely and efficient transition.

• We can provide both appropriate and tested methodology and experience to effectively assess current accounting policies and to help implement required changes to those policies when required.
• We have delivered and managed complex, global, and large scale projects, which enables us to anticipate and address company specific impacts.
• Our suite of tools help to make the transition as efficient and smooth as possible.

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