

IASB confirms line-up of IFRS 9 implementation group

by Richard Crump

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MEMBERS of the implementation group set up to support the transition to IFRS 9, the new financial instruments standard, have been confirmed by the IASB.

The international accounting standards setter has set up the group to support stakeholders in adopting the new reporting standard, which forces banks to take a forward view of losses incurred from bad debts.

The 12-strong panel includes members of the Big Four, along with representatives from Barclays, Bank of China and Deutsche Bank. A full list can be seen [here](#).

Last month, the IASB replaced its discredited incurred-loss model in favour of a forward-looking impairment model that requires banks and financial institutions to provision for bad loans much earlier under changes to IFRS accounting rules that will force organisations to better accurately represent their financial health.

The new model will create challenges for preparers of accounts, particularly because of the increased need for judgement. For instance, a major issue for banks and investors will be how adoption of the new standard will affect regulatory capital ratios. Banks will need to factor this into their capital planning and users are expected to look for information on the expected capital impacts.

The objective of the Impairment Transition Resource Group is to provide a forum for stakeholders to discuss emerging implementation issues arising from the new impairment requirements. The group will also provide information that will help the IASB to determine what, if any, action will be needed to resolve such diversity, although it will not itself issue guidance.

Meetings will be observed by regulatory bodies including members of the Basel Committee on Banking Supervision.

The IASB expects that the group will meet approximately two to three times a year, depending upon the volume and complexity of the issues raised. The first meeting is planned for the last quarter of 2014, with details to be announced in due course. All meetings will be public and chaired by IASB member Sue Lloyd.