MERCURY

International Financial Reporting Standards (IFRS) in Saudi Arabia: Compliance with the Saudi Organization for Chartered Accountants (SOCPA)

MERCURY

International Financial Reporting Standards (IFRS) in Saudi Arabia: Compliance with the Saudi Organization for Chartered Accountants (SOCPA)

Introduction

In light of ongoing developments in global accounting standards, it has become essential for companies and institutions operating in the Kingdom of Saudi Arabia to understand how to prepare financial statements in accordance with International Financial Reporting Standards IFRS. The transition from the Generally Accepted Accounting Principles in Saudi Arabia Saudi GAAP to IFRS is a strategic step that improves financial transparency and enhances companies' competitiveness in global markets.

The course International Financial Reporting Standards in Saudi Arabia: Compliance with the Saudi Organization for Chartered Accountants provides participants with an in-depth understanding of the significant differences between Saudi GAAP and IFRS. This training enables them to apply international financial reporting standards accurately and methodically in Saudi Arabia.

This program helps ensure compliance with the requirements of the Saudi Organization of Chartered Accountants SOCPA and enhances recent IFRS updates. Participants will learn how to prepare financial statements in accordance with international standards, including the potential impacts on institutional financial data and the challenges companies may face during the transition to IFRS in Saudi Arabia. They will have the opportunity to interact and exchange knowledge and experiences with specialists from various sectors.

Targeted Audience

This course is for professionals seeking to develop their skills in preparing financial statements according to international standards, including:

- Accountants and senior accountants who wish to enhance their knowledge of IFRS application in Saudi Arabia.
- Accounting managers, financial controllers, and internal auditors are aiming to comply with SOCPA requirements.
- Financial specialists in companies are seeking to understand the preparation of financial statements under IFRS.
- Individuals aspiring to develop their skills in international financial reporting standards IFRS and achieve professional excellence in this field.

Training Objectives

By the end of the course, participants will be able to:

- Understand the fundamental differences between IFRS and Saudi GAAP.
- Recognize the process of transitioning from Saudi GAAP to IFRS and its impact on the company’s financial statements.
- Apply SOCPA requirements and comply with IFRS standards.
- Prepare financial statements for organizations adopting IFRS for the first time accurately and methodically.
- Analyze and process various financial transactions in accordance with IFRS and Saudi GAAP standards.

- Apply best accounting practices to ensure precise compliance with international financial reporting requirements.

Targeted Competencies

Upon completing the program, participants will develop competencies including:

- Preparing financial statements according to the latest IFRS standards.
- Analyzing differences between accounting standards and comparing IFRS and Saudi GAAP.
- Managing the transition to IFRS and addressing the challenges associated with this phase.
- Enhancing compliance with SOCPA requirements and ensuring accurate, transparent financial data.
- Applying effective strategies in international accounting to ensure adherence to financial regulations in Saudi Arabia.

Applying IFRS in Saudi Arabia: Challenges and Opportunities

With the ongoing shift toward IFRS, companies in the Kingdom face several challenges, including restructuring financial data, ensuring accounting systems comply with new requirements, and ongoing staff training. This transition also presents significant opportunities to enhance financial transparency and attract foreign investment by providing financial statements aligned with international standards.

This training program will help participants overcome these challenges and maximize the benefits of implementing IFRS in Saudi Arabia, enabling them to improve their accounting and financial practices in accordance with the highest international standards.

Course Content

Unit 1: Introduction and Key Financial Statements

- Standard setters in financial accounting.
- Role of the International Accounting Standards Board IASB.
- Saudi Organization for Chartered Accountants SOCPA.
- Updates on significant changes during the transitional period.
- Comparison of financial statement presentation and classification:
    - Statement of Financial Position.
    - Statement of Income and Comprehensive Income.
    - Statement of Cash Flows.
    - Statement of Changes in Equity.

Unit 2: Adoption of IFRS 1 for the First Time

- Situations subject to IFRS 1.
- Opening statement of financial position under IFRS 1.
- Mandatory retrospective application exceptions.
- Optional retrospective application exemptions.
- Cost option: measuring assets at fair value at the date of transition.

Unit 3: Comparison of Current and Non-Current Assets

- Cash and cash equivalents.

- Inventory cost calculation methods.
- Initial recognition value.
- Subsequent measurement.
- Estimated cost at sale.
- Property, plant, and equipment.
- Cost model vs. revaluation model.
- Depreciation of components.
- Handling idle assets.
- Assets received as part of a donation.
- Intangible assets.
- Cost model vs. revaluation model.
- Capitalization of setup and construction costs.
- Research and development costs.
- Investment property.
- Cost model vs. fair value model.
- Depreciation using the fair value model.
- Capitalization of borrowing costs.
- Accounting for dismantling costs.
- Impairment of long-term assets.

Unit 4: Comparison of Liabilities and Equity

- Recognition and disclosure standards.
- Provisions.
- Contingent liabilities.
- Contingent assets.
- Components of other comprehensive income: new to SOCPA.

Unit 5: Accounting Changes and Discontinued Operations

- Accounting policy changes.
- Changes in estimates.
- Correction of prior period errors.
- Initial recognition of discontinued operations.
- Subsequent measurement of discontinued operations.

Unit 6: Recent IFRS Standards

- IFRS 9: Financial Instruments:
    - Classification of equity and debt investments under IFRS 9.
    - Fair value through profit or loss FVTPL.
    - Fair value through other comprehensive income FVTOCI.
    - Amortized cost AC.
    - Determining the business model for asset classification.
    - Initial and subsequent measurement.
    - Transfers between categories.
    - Impairment under IFRS 9.
- IFRS 15: Revenue from Contracts with Customers:
    - Step 1: Identify the contract.
    - Step 2: Identify performance obligations.
    - Separating goods from services.
    - Step 3: Determine the transaction price.
    - Effect of time value of money.

Dubai - UAE: +971 4 450 5697
Istanbul - Türkiye: +90 539 599 1206
Amman - Jordan: +962 79 712 3347

  - Accounting for variable consideration.
  - Step 4: Allocate transaction price to performance obligations.
  - Step 5: Recognize revenue when performance obligations are satisfied.
  - Separating performance obligations satisfied over time from those satisfied at a point in time.
- IFRS 16: Leases:
  - Reasons for transitioning from IAS 17 to IFRS 16.
  - Recognition exemptions: recording a lease as an expense.
  - Impact on low-value asset leases.
  - Determining a lease contract.
  - Separating contract components.
  - Accounting for lessees.
  - Accounting for lessors.
  - Effective date and transition.

training@mercury-training.com
www.mercury-training.com