Moving to International Financial Reporting Standards
Mazars, experts in IFRS

Our IFRS Team comprises of Partners and Senior staff members specialising in IFRS and located in offices around the world in Asia Pacific, Europe, South Africa, and the USA.

We are an active player in the IFRS standard-setting process as Mazars is widely recognized for its technical skills:
- Jean-Louis Lebrun, Partner, is a member of the IFRIC, the interpretative body of the IASB;
- Fabienne Colignon, Senior Manager, is on secondment at the IASB;
- Sébastien Landry, Senior Manager, was on secondment at the IASB for a three-year period.

We have moved our experts from Europe to the Asia Pacific region, to support the Asian conversion towards IFRS. This way, Mazars can provide you with existing knowledge and previous experience of IFRS applications. Our IFRS team in Asia Pacific is led by Pascal Jauffret.

A project management approach to IFRS conversion

To achieve a seamless transition to IFRS, it is worth bearing in mind some key project management principles to ensure that your conversion process is set up to deliver on the following matters:
- Tailored solution – A service solution that meets your specific needs and objectives;
- Integrated team approach – A well thought-out project structure with clear roles and responsibilities, combined with the support of technical experts;
- Milestone planning – Detailed milestones showing the status of the project and highlighting problems;
- Issues management – Identifying and resolving problems quickly and efficiently;
- Communication – Ensuring that all information is communicated effectively.

Project management for converting to IFRS should strike a balance between the conflicting elements of time, cost and quality, while still meeting your company’s objective.
The conversion process

IFRS conversion will impact internal control, accounting policy, tax provisioning, shared services, financial reporting processes, IT systems, treasury, legal, internal audit & several other functions of an enterprise.

Conversion to IFRS is a major project that will require careful planning, program management & resources with in-depth knowledge of IFRS and how IFRS applies to your specific needs, particularly in view of the tight reporting deadline.

Planning needs to start now in order to:

- Assess the impact on areas such as results, equity, banking covenants, and make necessary system amendments;
- Manage the expectations of shareholders, board audit committee, regulators, markets & other stakeholders;
- Avoid failure to produce IFRS compliant interim accounts on time.

The issues that need to be considered range further than a simple review of accounting policies and their application.

The steps

Based on our experience of implementing IFRS standards in other countries, we believe the following steps need to be taken in order to prepare a safe and seamless transition.
Managing expectations

Managing the perceptions of stakeholders will be a critical part of a company’s risk management policies. Shareholder value is, to a great extent, driven by a combination of current and expected future profits, the group’s financial position and its dividends policy—all of which may be significantly impacted by the transition to IFRS.

Communicating the changes that will be brought about in a clear fashion will be crucial in avoiding negative impacts on share price.

- Identification of key convergence of current GAAP and IFRS, differences between GAAP policies and IFRS
- Changes in reporting
- External IFRS packages communication plan for stakeholders and other users of financial statements
- System changes
- Revisions to performance incentives and covenant agreements
- Valuations
- Independent valuations may be necessary or required under IAS 40, IFRS 2 or IFRS 3

The introduction of IFRS will change the reported results and financial position of your business; the following are some of the key issues and pitfalls to be aware of:

- Many more intangibles may need to be identified and valued for acquisitions;
- Many companies will be affected by complex standards such as IAS 39 “Financial Instruments – Recognition and measurement”;
- Many more valuation issues for biological assets, business combinations, properties or financial instruments;
- Many new disclosures may be required in the financial statements;
- Additional strain on existing accounting resources is likely to result;
- Making the right decisions on first-time adoption of IFRS will be critical for your future financial reporting.
Mazars, a global reach

Mazars is an international, integrated and independent professional services organisation, specialising in audit, accountancy, legal, tax and advisory services. Within its integrated partnership, Mazars has a team of over 11,000 professionals covering 50 countries across the globe.

Mazars is continuously expanding its worldwide presence by entering new markets, including Asia Pacific, Latin America, North America, the Middle East and Eastern Europe.

Mazars is also a founding member of the International Praxity Alliance, servicing clients in 22 additional countries through the expertise of a further 14,000 professionals, all of whom possess a common desire to adhere to strong quality guidelines and a collective determination to exceed technical and ethical standards.

Thanks to its multicultural structure and comprehensive range of services, Mazars is able to offer flexible, tailored solutions throughout the world to large multinational firms, to SMEs and to high net worth individuals.
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