

Under the convergence process of Sri Lanka Accounting Standards with the International Financial Reporting Standards (IFRS), the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) will conduct a seminar in Kandy next month where Small and Medium Entities (SMEs) will be educated on the IFRS based new Sri Lanka Accounting Standards.

The workshop on 9th May at the Queen's Hotel, Kandy 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 workshop targets practitioners and preparers of financial statements and will be the first in a series of out of Colombo workshops which aims to educate professionals doing business out of the country's commercial capital on new financial trends and on the latest developments in the Sri Lanka Accounting Standards.

The presentation 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.

CA Sri Lanka is the sole authority in promulgating accounting standards in the country and 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 convergence with IFRS.

Convergence with 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.