

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) recently entered into an agreement with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, commonly known as German Development Cooperation. As a federal enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development.

Through the Small and Medium Enterprise Development program in Sri Lanka, GIZ aims to achieve inclusive development of the SME sector. The project with CA Sri Lanka focuses on strengthening the skills and capacities of Small and Medium-Sized Enterprises (SMEs) and Small and Medium-Sized Practitioners (SMPs) in the country.

The project, which will focus on four core activities, aims to enhance SME and SMP development in the Central, Eastern, Northern, North-Western, Sabaragamuwa, Southern and Uva provinces which have been identified as 'lagging regions' of the country.

The agreement will pave the way for CA Sri Lanka and GIZ to conduct regional seminars on Sri Lanka Accounting Standards (SLFRS) for SMEs as well as training programs on basic accounting and book-keeping for SMEs, in the "lagging regions" identified by the Program.

Through the project, a help desk will also be established to support small and medium-sized enterprises and practitioners, while technical materials, guidance notes, application guidance and practice notes on SLFRS for SMEs will also be published for the benefit of SMEs and SMPs.

The cost of the project will be shared equally by CA Sri Lanka and GIZ.

CA Sri Lanka President Mr. Sujeewa Rajapakse noted that in its capacity as the sole authority for promulgating accounting and auditing standards in the country, CA Sri Lanka has been playing a pioneering role in ensuring that Sri Lanka is at the forefront in terms of its financial infrastructure in order to support and enable the country's growth drive.

"The institute decided to adopt IFRS for SMEs as the SLFRSs for SMEs with effect from 1 January 2012, thereby making it necessary for SMEs to comply with the statutory requirement of presenting financial statements using these standards," he noted.

Mr. Rajapakse emphasized that every effort is being made to ensure the smooth transition of this adaptation as well as to ensure that all organizations in the country are complying with these standards.

“We have taken a series of initiatives to ensure these objectives are realized. Our tie-up with GIZ is also one such effort to ensure that SMEs which play an integral part in the country’s economic development have the required support and guidance to ensure they are in line with global standards,” the CA Sri Lanka President added.

CA Sri Lanka Chief Executive Officer, Mr. Aruna Alwis noted that with the institute converging with IFRS, Sri Lanka too is now in line with the global trend in enabling a common language for financial reporting processes

“Convergence with IFRS is a major breakthrough for companies in Sri Lanka as they now have a common, high quality and internationally accepted set of accounting and financial reporting standards which is also seen as a way forward to bring in more credibility to financial reporting in the country,” Mr. Alwis added.

