

A Guide to the IFRS® Education Initiative

Our objective: To reinforce the IFRS Foundation's goal of promoting the adoption and consistent application of International Financial Reporting Standards (IFRS).

In fulfilling its objective, the Education Initiative takes into account the particular needs of small and medium-sized entities (SMEs) and emerging economies.

How do we do this?

The Education Initiative aims to leverage the work of others, complementing and not derogating from IFRS:

- Framework-based approach to IFRS capacity building
- IFRS adoption and implementation support
- *IFRS for SMEs* adoption and implementation support
- Investor-focused IFRS education

The pages that follow highlight some components of each of these projects.

"... the Education Initiative is not just a powerful tool that the IASB is using to support the adoption of IFRS globally, but also an innovation in teaching accounting and reporting. Accounting firms and their clients are likely to greatly benefit from this initiative, both in terms of cost savings and more effective insights from professional accountants. Because of this, it is our opinion that the Education Initiative should be given full support by all players: companies, accounting firms, training institutions and academia."

(RSM International, June 2013, p7)

Framework-based approach to IFRS capacity building

To a large extent, IFRS financial reports are based on estimates, judgements and models rather than exact depictions. As jurisdictions adopt IFRS, they wonder how much their previous practices must change to apply IFRS rigorously and consistently.

Three series of regional IFRS teaching workshops to assist:

- (i) IFRS teachers and IFRS trainers educate IFRS accountants more effectively;
- (ii) adopting jurisdictions develop a cohesive understanding of IFRS; and
- (iii) regulators understand the framework for IFRS judgements. The main focus of these sessions is to encourage and support a Framework-based approach to IFRS that is designed to develop capacity to make the necessary judgements and estimates.

Aim

To contribute to the rigour and consistency in which IFRS Standards and the *IFRS for SMEs* are applied worldwide by supporting the development of a cohesive understanding of IFRS and capacity to make the judgements that are necessary to apply/audit/regulate/analyse IFRS financial information.

How do we do this?

Supporting IFRS teachers:

- we provide IFRS teachers with a range of free-to-download comprehensive IFRS teaching material that is designed to develop students' ability to make IFRS judgements and estimates
- we find resources for the translation of that material into widely spoken languages
- we facilitate regional workshops to train IFRS teachers and IFRS trainers in the effective use of that material

Supporting adopting jurisdictions:

- we facilitate IFRS capacity-building workshops for adopting jurisdiction IFRS stakeholders to develop the IFRS mindset and capacity to make/audit/regulate the judgements necessary to apply IFRS

Supporting IFRS regulators:

- work with the world's development agencies and others to enhance IFRS regulatory capacity-building in emerging and developing markets by facilitating regional multi-day IFRS regulatory capacity-building workshops

Feedback

97 per cent of the regulators from 19 countries—including eight EU member states in Central and Eastern Europe, EU candidate and potential candidate countries in South-Eastern Europe and the countries of the EU's Eastern partnership financial regulators—that participated in a five-day IFRS workshop organised jointly with The World Bank Centre for Financial Reporting Reform (CFRR) for Europe and Central Asia, report that the workshop objectives were achieved. In particular, 98 per cent of workshop participants reported that the workshop was “very helpful” and “helpful” to help improve their skills and knowledge to make the necessary judgements.

(World Bank CFRR, Workshop Feedback Report, 2013)

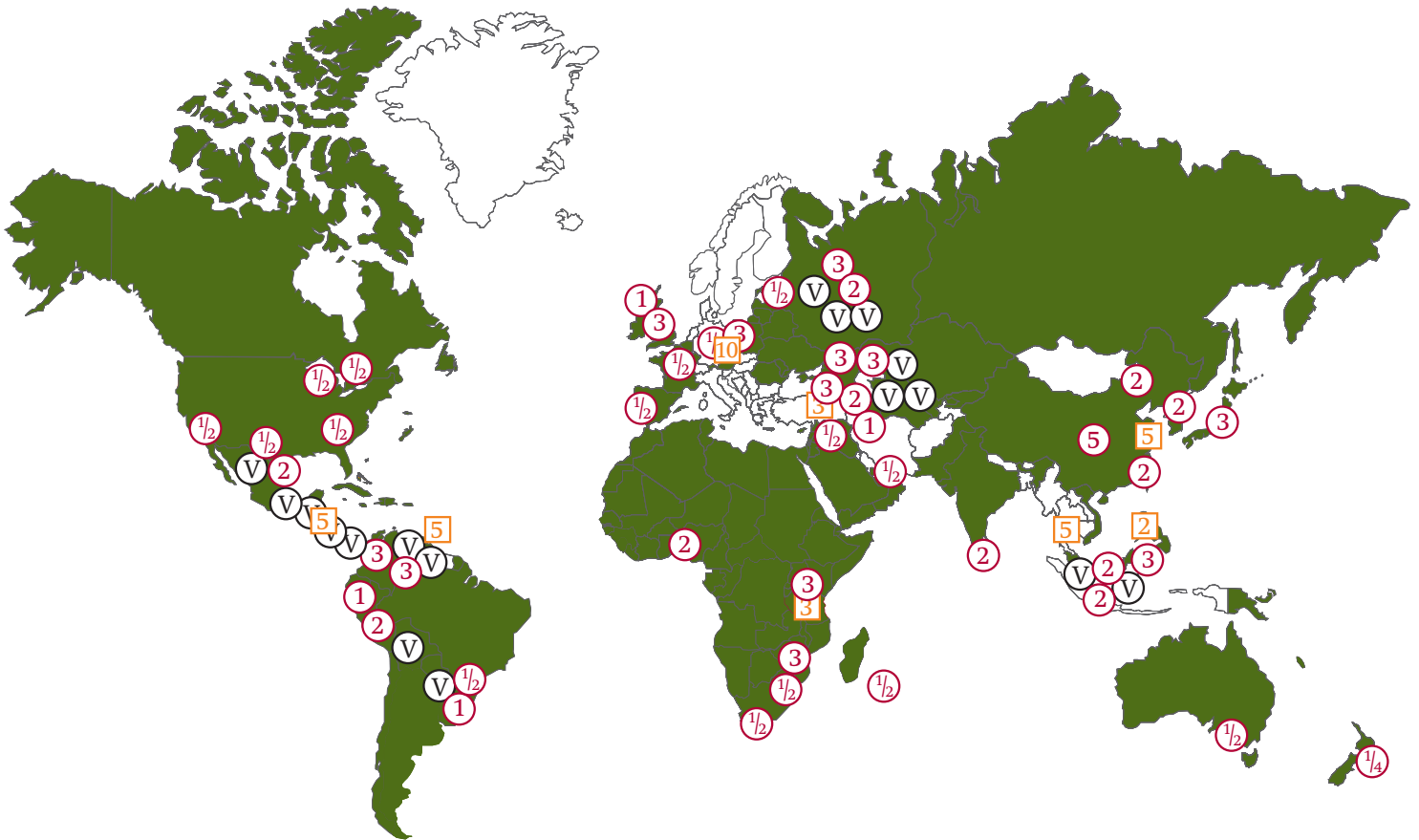
This project is a timely focus on direct training in a manner that should have long-term benefits for the global financial reporting community”

(IRZ, Heft 5 May 2013, p195).

“The message to educators with regard to teaching IFRSs is that resources from the IFRS Education Initiative are available and specifically designed to enable students to become more capable in exercising the judgments needed for IFRS application”

(Issues in Accounting Education Volume 28, No. 2, 2217)

Framework-based IFRS teaching material language map and workshops



- Comprehensive teaching material: Languages—Arabic, Chinese, English, French (stage 3 only), Korean, Japanese, Polish (stage 3 only), Portuguese, Russian and Spanish.
- ‘Train the teacher’ workshop; number indicates duration in days.
- V Half-day video conference
- Regional IFRS regulatory capacity building workshops; number indicates duration in days.

“The ability to make reasoned, informed judgments and estimates is crucial to appropriate application of IFRS. Framework-based teaching is the best way to educate students to enable them to make those judgments and estimates. Framework-based teaching helps students understand the objective of and the concepts underlying financial reporting, thereby helping them understand the “why” of IFRS requirements and not just the “how.” Understanding the “why” forms the foundation for their ability to make the judgments and estimates necessary to apply IFRS. Framework-based teaching also provides students with long-lasting knowledge of IFRS—requirements in IFRS change with every new standard issued, whereas the concepts underlying IFRS live for decades. This is the approach I use to teach my students and highly recommend it to all teachers of IFRS.”

(Mary Barth, Professor of Accounting, Stanford University)

Framework-based approach to IFRS capacity building *continued...*

Progress

- comprehensive teaching material published on a range of topics and languages in three separate sections
 - (a) Stage 1: a student’s first financial reporting course;
 - (a) Stage 2: a financial reporting course mid-way to qualifying as a CA, CPA or equivalent; and
 - (a) Stage 3: a course immediately before qualifying as a CA, CPA or equivalent.
- numerous IFRS capacity building workshops

Comprehensive teaching material	Translations
Liabilities	
Stage 1; Stage 2; and Stage 3—the BuildItYourself case study, the TooBigToFail Bank case study and the Woody case study	Japanese, Korean, Polish, Russian and Spanish
Non-financial assets	
Stage 1; Stage 2; and Stage 3—the Open Safari case study and the Open Safari case study adapted for the <i>IFRS for SMEs</i>	Arabic, Chinese, French, Japanese, Korean, Polish, Portuguese, Russian and Spanish
The IAS 8 hierarchy	
Stage 3—the Amalgam case study and the Amalgam case study adapted for the <i>IFRS for SMEs</i>	Arabic, Chinese, Japanese, Korean, Portuguese, Polish, Russian and Spanish
Correction of prior period errors and changes in accounting policies, accounting estimates and classifications	
Stage 1 and Stage 3—the BigChange case study	Spanish
Business combinations and consolidated financial statements	
Stage 1 and Stage 3—the Acquisitive case study	Korean, Polish, Russian and Spanish

To download the teaching material see <http://go.ifrs.org/FBT-material>.

For future Framework-based IFRS capacity-building events see <http://go.ifrs.org/Teacher-workshops>.

“What framework-based teaching provides is a cohesive understanding of IFRSs, together with a basis for judgement in applying IFRSs. It also helps users to keep abreast of IFRS knowledge and competencies.”

(Dr. Nurmazilah Dato’ Mahzan, Deputy Dean (Undergraduate), Faculty of Business and Accountancy, University Malaya, Accountants Today, May/June 2013, p18)

“Poland is working towards becoming possibly the first country globally to fully implement this approach.”

(World Bank Centre for Financial Reporting Reform Newsletter May 2014)

“Long term effects seem to be with the students as well... changed the attitude of many towards their major subject to the positive. One can vitally feel the change when entering the lecture room. Amazing. Thank you again for all your efforts...”

(Prof. Dr. Gunther Meeh-Bunse, Hochschule Osnabrück - Lingen Campus, Germany)

IFRS adoption and implementation support

IFRS is adopted widely (100+ jurisdictions), however, there are unanswered questions about the rigour and consistency with which it is applied. The Education Initiative contributes to IFRS capacity-building by developing educational material, organising events and supporting the work of others.

Examples—IFRS material

In response to requests from emerging countries and other interested parties, the IFRS Foundation published education material on how to measure the fair value of unquoted equity instruments.

To download the Education material see <http://go.ifrs.org/FVM-material>.

To support those providing continuing professional development (sometimes called CPD or CPE) to others, the Education Initiative maintains a series of free-to-download PowerPoint (PPT) presentations with teaching notes on new IFRS Standards.

To download the CPD material see <http://go.ifrs.org/CPD-material>.

Examples—IFRS events

Each year the Education Initiative arranges a number of regional IFRS conferences mainly in the world's foremost financial centres. Individual conferences are attended by as many as 700+ people from over 60 countries.

To support those implementing new and amended IFRS Standards, half-day sessions on implementing major new IFRS Standards are held in addition to each conference.

To support jurisdictions that are adopting IFRS Standards for the first time the Education Initiative facilitates three-day IFRS capacity building workshops that focus on judgements necessary to apply IFRS.

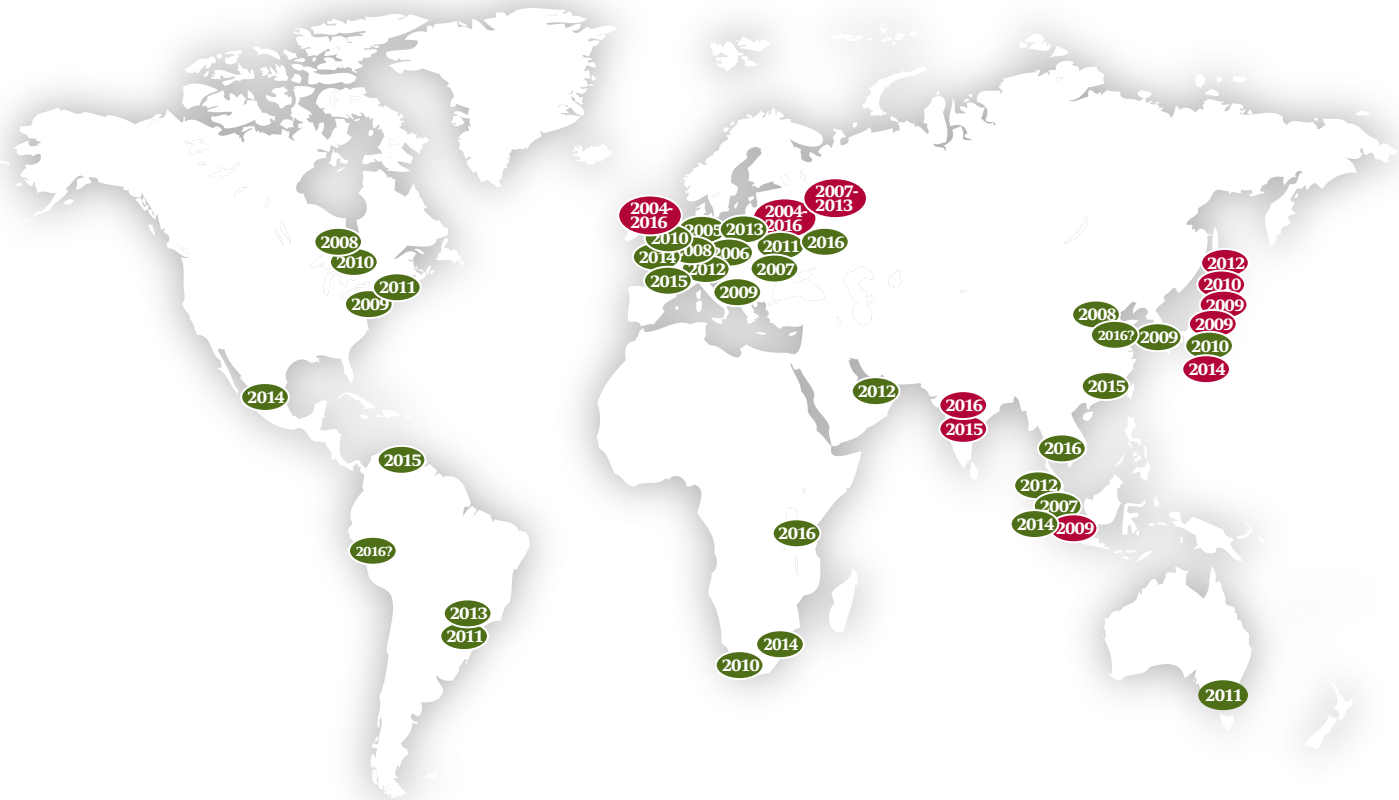
For future IFRS events see <http://go.ifrs.org/Events>.

The IFRS Foundation also co-brands leading IFRS conferences that are arranged by larger accountancy firms. The IFRS conference map below shows where such IFRS conferences were recently held or are planned to be held.

IFRS adoption and implementation support

continued ...

IFRS Foundation annual IFRS conferences



- IFRS Foundation IFRS conferences (some held jointly with other organisations)
- IFRS conferences co-branded by the IFRS Foundation

IFRS for SMEs[®] implementation support

SMEs and the multitude of small and medium-sized practices (SMPs) that support them generally do not have the financial reporting resources and capabilities that the larger entities that use IFRS have.

Aim

To encourage the informed adoption of the *IFRS for SMEs* and to contribute to the rigour and consistency with which it is implemented and applied.

How do we do this?

- we develop free-to-download comprehensive training material—one module for each section of the *IFRS for SMEs*, which explains each requirement (commentary and examples of application) and provides self assessment questions and case studies
- we send resources for that material to be translated into widely spoken languages
- we facilitate regional workshops to train the trainers in the effective use of that training material

Progress

- 35 comprehensive training modules and PPT slides to support three days of training have been published
- translations in Arabic, French (PPT only), Portuguese (PPT only), Russian, Spanish and Turkish have been published
- 37 regional ‘Train the trainer’ workshops have been facilitated
- the material is now being updated for the 2015 amendments to the *IFRS for SMEs*

To download the SME training modules see <http://go.ifrs.org/SME-training-modules>.

For future *IFRS for SMEs* events see <http://go.ifrs.org/SME-workshops>.

Multiplier effect

85 trainers from 15 countries participated in the first IFRS for SMEs ‘train the trainer’ workshop. In the following 6 months, those trained held more than 50 workshops training 4,500+ people (Confederation of Asian and Pacific Accountants’ 2010 Annual Report).

IFRS for SMEs[®] implementation support continued...

Regional IFRS for SMEs 'train the trainer' workshops



Workshop:

- | | | | |
|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <p>1 Kuala Lumpur, Malaysia
55 participants – 15 countries
CAPA (ADB funding)</p> | <p>11 Ankara, Republic of Turkey
100 participants
TASB and Turmob</p> | <p>20 Nairobi, Kenya
100 participants – 11 countries
PAFA (World Bank funding)</p> | <p>30 Livingstone, Zambia
48 participants – 9 countries
PAFA (World Bank funding)</p> |
| <p>2 Hyderabad, India
30 participants – 6 countries
CAPA (ADB funding)</p> | <p>12 Banjul, The Gambia
80 participants – 6 countries
ABWA and World Bank</p> | <p>21 Christ Church, Barbados
53 participants – 10 countries
ICAC and ICAB</p> | <p>31 Colombo, Sri Lanka
100 participants – 5 countries
CAPA, SAFA and CA Sri Lanka
(ADB funding)</p> |
| <p>3 Dar es Salaam, Tanzania
100 participants – 10 countries
ECSAFA (World Bank funding)</p> | <p>13 Minsk, Belarus
20 participants
World Bank</p> | <p>22 Santiago, Chile
150 participants – 2 countries
CCC, DUOC and UC</p> | <p>32 Yerevan, Armenia
26 participants
World Bank</p> |
| <p>4 Cairo, Egypt
30 participants – 10 countries
World Bank</p> | <p>14 Basseterre, The Federation of Saint Kitts and Nevis
50 participants – 5 countries
ICAEC and ECCB (World Bank funding)</p> | <p>23 Almaty, Kazakhstan
100 participants – 2 countries
World Bank and MoF</p> | <p>33 Kuala Lumpur, Malaysia
100 participants
MIA and MASB</p> |
| <p>5 Rio de Janeiro, Brazil
700 participants – 7 countries
BNDES</p> | <p>15 Kiev, Ukraine
50 participants
World Bank</p> | <p>24 Astana, Kazakhstan
50 participants – 4 countries
World Bank and MoF</p> | <p>34 Lagos, Nigeria
200 participants – 6 countries,
FRC, FMITI and ABWA</p> |
| <p>6 Helsinki, Finland
60 participants – 6 countries
Nordic Federation</p> | <p>16 Buenos Aires, Argentina
118 participants – 14 countries
FACPCE and World Bank</p> | <p>25 Douala, Cameroon
100 participants – 12 countries
World Bank</p> | <p>35 Abu Dhabi, UAE
IASCA</p> |
| <p>7 Vienna, Austria
40 participants – 8 countries
World Bank</p> | <p>17 Yangon, Myanmar
130 participants
MICPA</p> | <p>26 Dhaka, Bangladesh
54 participants
SAFA and ICAB</p> | <p>36 Pristina, Kosovo
200 participants – 2 countries
SCAAK</p> |
| <p>8 Panama City, Panama
114 participants – 16 countries
World Bank</p> | <p>18 Dubai, UAE
140 participants – 9 countries
ACSA and Dubai SME</p> | <p>27 Kiev, Ukraine
25 participants
ICFM</p> | <p>37 Hong Kong
48 participants – 5 countries
HKICPA</p> |
| <p>9 Astana, Kazakhstan
50 participants
World Bank and MoF</p> | <p>19 Sarajevo, Bosnia and Herzegovina
40 participants – 8 countries
World Bank</p> | <p>28 Ulaanbaatar, Mongolia
130 participants – 2 countries
World Bank and MoF</p> | |
| <p>10 Singapore, Singapore
120 participants – 7 countries
ASC and ICPAS</p> | | <p>29 Abu Dhabi, UAE
100 participants – 5 countries
Abu Dhabi DED</p> | |

Investor-focused IFRS education

In 2013 the Education Initiative started an Investor-focused project in response to issues observed in various forums and in staffs' subsequent discussions with investor groups about investor-focused IFRS education.

Aim

The objective of the Investor Education Programme is to improve investors' knowledge of IFRS Standards, including the judgements and estimates that are necessarily made when preparing IFRS financial information.

Improving investors' knowledge of IFRS aims to help:

- reduce the perceived need for industry-specific IFRS guidance and IFRS Interpretations; and
- contribute indirectly to increasing the consistency and rigour with which IFRS is applied.

Our activities include

- working with established investor professional associations/investor organisations to enhance the IFRS knowledge and competences of their members
- the development of a more comprehensive suite of investor-focused products and services
- arranging investor-focused IFRS updates at IFRS Foundation conferences and other events

Working with others

As part of the IFRS Education Initiative, much of the Investor Education Programme's work is performed in conjunction with others, including investor profession associations and other investor organisations throughout the world.

To access our investor education content, visit <http://go.ifrs.org/Investor-Education>.

International Accounting Standards Board® (IASB®)

The IASB is the independent standard-setting body of the IFRS Foundation

30 Cannon Street | London EC4M 6XH | United Kingdom

Telephone: +44 (0)20 7246 6410 | Fax: +44 (0)20 7246 6411

Email: info@ifrs.org | Web: www.ifrs.org

Publications Department

Telephone: +44 (0)20 7332 2730 | Fax: +44 (0)20 7332 2749

Email: publications@ifrs.org

Copyright © 2015 IFRS Foundation®

All rights reserved

The IFRS Foundation logo/the IASB logo/the IFRS for SMEs logo/'Hexagon Device', 'IFRS Foundation', 'eIFRS', 'IASB', 'IFRS for SMEs', 'IAS', 'IASs', 'IFRIC', 'IFRS', 'IFRSs', 'SIC', 'International Accounting Standards' and 'International Financial Reporting Standards' are Trade Marks of the IFRS Foundation.

The IFRS Foundation is a not-for-profit corporation under the General Corporation Law of the State of Delaware, USA and operates in England and Wales as an overseas company (Company number: FC023235) with its principal office as above.