



MEDIA RELEASE:

DUBAI FINANCIAL SERVICES AUTHORITY (DFSA), UAE BANKS FEDERATION (UBF), AND ICAEW HOST A SPECIAL BRIEFING ON IFRS-9

Dubai, UAE, 03 March 2021: The Dubai Financial Services Authority (DFSA), along with UAE Banks Federation (UBF) and the Institute of Chartered Accountants in England & Wales (ICAEW) hosted a special briefing earlier today where a distinguished panel explored the impact of COVID-19 on reporting and auditing for Expected Credit Losses (ECL) under IFRS-9. The special briefing included an exclusive interview with His Excellency Riyadh Al-Mubarak, Honorary President, UAE Accountants & Auditors Association (AAA), in which His Excellency shared his experience and highlighted a financial reporting guide issued by the AAA.

Mr Jamal Saleh, Director General of UBF, welcomed the participants to this special briefing and explained the purpose of the session. “It is very difficult to predict when this COVID-19 induced economic crisis will end. However, providing clarity in the midst of uncertainty is not only necessary but also valued. Moreover, changes in economic conditions should be reflected in the macroeconomic scenarios that are applied by entities and in their weightings. UBF is always keen to be part of similar webinars, which we hope will provide practical solutions for our member banks and finance companies in managing the impact of current economic uncertainty, due to COVID-19 pandemic, on the calculation of ECL, while always remaining compliant with IFRS-9 and promoting consistency in the overall approach,” Mr Saleh said.

In his opening address, Mr Bryan Stirewalt, Chief Executive of the DFSA, highlighted the financial reporting challenges arising due to COVID-19 pandemic. “IFRS-9 has been put to the test during this pandemic as a replacement of its predecessor IAS-39. The COVID-19 crisis and related economic uncertainty present unique and ongoing challenges for auditors. Making fair and timely assessments in today’s unusual and fast-changing environment has become extremely challenging. Auditors will need to obtain evidence of a different nature or form than previously obtained, which may affect how and on what basis they consider the relevance and reliability of that evidence. In light of the economic impacts of COVID-19, new risks may emerge. Professional scepticism has never been more important and will play a key role when it comes to these challenging areas,” Mr Stirewalt said.

Distinguished panellists covered financial reporting, auditing and regulatory perspectives. Panellists included Alexis D’Almedia from Central Bank of the UAE, Asim Rasheed from



EmiratesNBD, and Alexis Agathocleous from Deloitte Middle East. The panel discussion was moderated by Philippa Kelly, ICAEW Director, who is based in the UK.

More than 400 professionals including audit partners of DFSA Registered Auditors, ICAEW members, and members of UBF, attended the event. Considering the safety and wellbeing of all participants, this event was hosted virtually.

Michael Armstrong FCA, ICAEW Regional Director, Middle East, Africa and South Asia, while closing the event said: “We were proud to co-host this briefing with the DFSA and UAE Banks Federation to help bring much needed guidance on the complex judgements necessary to apply IFRS 9 in the current circumstances. Quantifying ECL and credit risk in accordance with IFRS 9 is extremely challenging for financial institutions in the best of times, and has been made all the more complex by the coronavirus-related economic crisis.

“The implications for financial statements not only include the measurement of assets and liabilities but also disclosure. As new information emerges constantly, the cut-off for inclusion of information in a reporting cycle becomes increasingly challenging. Chartered accountants have a major role to play – not just in helping steer businesses through these times but sharing our expertise with governments.

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Editor's notes:

Dubai Financial Services Authority (DFSA) is the independent regulator of financial services conducted in and from the Dubai International Financial Centre (DIFC), a purpose built financial free zone in Dubai. The DFSA's regulatory mandate covers asset management, banking and credit services, securities, collective investment funds, custody and trust services, commodities futures trading, Islamic finance, insurance, crowdfunding platforms, an international equities exchange and an international commodities derivatives exchange. In addition to regulating financial and ancillary services, the DFSA is responsible for administering Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) legislation that applies in the DIFC. Please refer to the DFSA's [website](#) for more information.

Bryan Stirewalt was appointed Chief Executive of the DFSA on 1 October, 2018, after nearly eight years as the DFSA's Managing Director of the Supervision Division. In his role as Chief Executive, Bryan steers the work of the DFSA, further developing its capability as a robust regulator delivering world-class financial services regulation in the DIFC. Bryan plays a vital part in executing the DFSA's regulatory mandate and developing its risk-based supervision framework. Bryan also plays an active role in supporting the work of international standard-setting bodies. He now serves as the Co-Chair of the Basel Consultative Group (BCG), which provides a forum for deepening the Basel Committee on Banking Supervision's engagement with non-member, global supervisors on banking supervisory issues. Through this role, Bryan also serves as an Observer at the Basel Committee on Banking Supervision. **ICAEW:** There are more than 1.8m chartered accountants and students around the world and 186,500 of them are members and students of ICAEW. They are talented, ethical and committed professionals, which is why all of the top 100 Global Brands employ chartered accountants.

ICAEW promotes inclusivity, diversity and fairness. We attract talented individuals into the profession and give them the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

Founded in 1880, we have a long history of serving the public interest and we continue to work with governments, regulators and business leaders around the world. And, as an improvement regulator, we supervise and monitor over 12,000 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

ICAEW is proud to be part of Chartered Accountants Worldwide, a global network of 750,000 members across 190 countries, which promotes the expertise and skills of chartered accountants on a global basis.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create strong economies and a sustainable future for all.



UAE Banks Federation: Established in 1982, UAE Banks Federation (UBF) is a professional representative body of the member banks operating in the UAE. It advocates banks' interests and enhances cooperation and coordination among them so as to upgrade the banking industry for the benefit of the banking sector and national economy.

UBF is managed by a nine-member Board of Directors elected every three years. The Board of Directors is responsible for planning, policy-making and supervision of UBF's activity. The Board of Directors is chaired by H.E. Abdul Aziz Abdullah Al Ghurair, CEO of Mashreq Bank. The Advisory Council of Chief Executive Officers/General Managers, is consisted of the CEOs of the national banks in addition to the largest foreign and GCC Banks, oversees policy implementation, follows up on UBF's activities and takes the necessary decisions to the banking sector.

The 23 technical committees and 3 advisory committees are specialized in all banking domains. They prepare studies on all topics related to the banking industry, which are then referred, by the General Secretariat, to the Council for approval. Members of UBF has reached 51 Banks by 2020.