



ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය

අති විශේෂ

The Gazette of the Democratic Socialist Republic of Sri Lanka
EXTRAORDINARY

අංක 2051/42 - 2017 දෙසැම්බර් මස 29 වැනි සිකුරාදා - 2017.12.29

No. 2051/42 - Friday, DECEMBER 29, 2017

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

SRI LANKA ACCOUNTING AND AUDITING STANDARDS ACT, NO. 15 OF 1995

Publication under Section 4(2)

By virtue of the powers vested in the Institute of Chartered Accountants of Sri Lanka (hereinafter referred to as the “Institute”), the Institute has adopted the Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements with effect from 01st January 2018, published herewith for the purpose of the Sri Lanka Accounting and Auditing Standards, Act, No. 15 of 1995. This SoAT shall be effective for financial statements covering period commencing on or after the first day of January Two Thousand Eighteen. Earlier application is permitted.

By Order of the Council,

ARUNA ALWIS,
Secretary.

The Institute of Chartered Accountants of Sri Lanka,
No. 30A,
Malalasekera Mawatha,
Colombo 07.
29th December 2017



Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements

Preface

The Sri Lanka Accounting Standard – LKAS 34 *Interim Financial Reporting* is applicable if an entity is required or elects to publish an interim financial report in accordance with the Sri Lanka Accounting Standards (SLFRSs). In terms of paragraph 19 of LKAS 34, an interim financial report shall not be described as complying with SLFRSs unless it complies with all the requirements of SLFRSs.

The Sri Lanka Accounting Standard – SLFRS 9 *Financial Instruments* is effective for annual periods beginning on or after 01st January 2018. Accordingly, in reporting the interim results, the entities are required to apply SLFRS 9 and to be in compliance with the same. However, paragraph 7.2.16 of SLFRS 9 permits an entity not to apply the requirements of this Standard to interim periods prior to the date of initial application, if it is impracticable.

The Accounting Standards Committee has received several requests from many entities for a relief in the interim financial statements during the first financial year commencing on or after 01st January 2018 which will provide additional time horizon for the smooth implementation of SLFRS 9. The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has had continuous dialogues between the regulators as well in this regard, since issuance of the first phase of this Accounting Standard in end 2012.

Recommendation

CA Sri Lanka has decided to grant the option to prepare the interim financial statements continuing the application of LKAS 39 *Financial Instruments: Recognition and Measurement* with disclosures on impact to the Statement of Comprehensive Income for the period if SLFRS 9 has been applied during the financial year commencing on or after 01st January 2018. If that determination of impact is impracticable, that fact shall be disclosed.

Accordingly, entities may decide to apply the exemption stated in paragraph 7.2.16 of SLFRS 9 for the comparative figures in the interim financial statements during the financial year commencing on or after 01st January 2018.

However, the entities are required to apply SLFRS 9 in the preparation of financial statements for the annual periods beginning on or after 01st January 2018.

08-955