# IFRS 9

Implementation Challenges

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#### Banking Sector Implementation of IFRS 9

PHASE 1-Classification and Measurement

Early Adoption 1/1/2011

Amendment July 2014- Deadline 1/1/2018

**PHASE 2: Impairment** 

Issued July 2014

Deadline 1/1/2018

12/14/2015

#### BCCL Milestones – Year 2015

Specialized Committee at BCCL

& FIs to form specialized committees for IFRS 9 Deadline: 30/9/2015

BCCL required Banks and Fis to submit IFRS 9 action plans

Deadline: 31/12/2015

Meeting with External auditors and a sample of banks to discuss implementation Challenges

12/14/2015

#### Impact Challenges

- Possible Impact on Capital (OCI) resulting from possible reclassification of Lebanese Sovereign from AC to FVTOCI
- Expected Loss Model: Impact on Profit and Loss/ Impact on Capital

12/14/2015

#### Data and Systems Challenges

- Availability of Data
- Granularity of Data
- Estimating PD & LGD
- Systems

#### Size, complexity and comparabilty Challenges

- Readiness of banks
- Different Sizes of Banks
- Comparability for assets with similar risk characteristics in order to minimize discrepancies
- Definition of "Significant Increase in Credit Loss"

# Other Challenges

- Cross Border Implementation Issues
- Tax Challenges

# Thank You