



Country insights

AFGHANISTAN

Muhammad Basit of Ilyas Saeed Chartered Accountants in Kabul, shares his insights on the outlook for the Afghanistan economy, the situation within local accountancy firms, and the value of being part of an international network such as MGI Worldwide CPAAI when it comes to learning & development and the implementation of IFRS 9.

Q: What will be the outlook for the Afghanistan economy and investor confidence with the adoption of IFRS9 practices across the accountancy industry in Afghanistan? How will this be rolled out?

Muhammad Basit: As the economy is in the beginning stage of its evolution, structured historical data is not available, but our own observation is that scoring models for retail credit scoring and corporate credit scoring have not yet been implemented and organisations are therefore using an expert-based approach for corporate credit scoring.

Many have switched their legacy systems to automated systems, so may be missing values in the data and as the credit scoring models are not implemented effectively, it's impossible to measure their performance.

We are helping our clients in devising a strategy to model PD, LGD and EAD, assisting with the assessment of their portfolios and the



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measurement of 12 months ECL or lifetime ECL depending upon the Staging.

Q: What is the current state of play within local accountancy firms vis a vis qualified practitioners able to implement IFRS9? How is training being improved in your organisation?

Muhammad Basit: After the closure of offices by BIG 4 audit firms in Afghanistan, local accountancy firms lack the resources to implement the IFRS 9, which is why the local firms rely on resources from their international networks or other regional countries.

Ilyas Saeed Chartered Accountants arranged international IFRS 9 training for its key resources in Afghanistan. These training session helped improve our technical expertise and we were able to implement IFRS 9 successfully on many banking and telecom sector organisations.

Q: How are you investing in Learning & Development and incentivising new recruits into your organisation?

Muhammad Basit: Seniors and managers conduct weekly training sessions for juniors and newly recruited interns, where guidance on executing field work is provided and last week's progress is discussed in detailed.

For senior level staff we issue both specific and general training on International Standards on Auditing (ISAs) and IFRS. These trainings are provided by Advisory and Assurance Partners or external consultants.

Top management benefits from **MGI Worldwide training webinars** provided by external consultants and we also have our own online learning management system for conducting training for our staff and clients.

Q: How is MGI Worldwide supporting with advising on implementing IFRS9 endeavours in Afghanistan?

Muhammad Basit: Members firms can contact the IFRS Specialist Group for any technical expertise not available at MGI Worldwide level, then regional heads of MGI Worldwide ask member firms across the globe for such skills, helping with lead generation and the pooling of skills.

Q: What advocacy work are you conducting with the local industry regulator to strengthen accountancy practices within both private and public sector client organisations and with meeting IFAC requirements?

Muhammad Basit: CPA Afghanistan has been formed by the Ministry of Finance and approved by parliament, as the only Professional Accountancy Organisation and the regulator of the accountancy profession in Afghanistan.

About Ilyas Saeed Chartered Accountants (ISCA)

Ilyas Saeed Chartered Accountants – Kabul started operations in Afghanistan in May 2016. Mr. Muhammad Abdul Basit is the managing partner of the Kabul Office. The firm is registered with AISA (I-81736) and currently employs more than 15 staff to run its operations. Since its incorporation the firm has executed numerous projects in various sectors of economy.



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For more information visit mgjworld.com or contact **Muhammad Basit** at basit@ilyassaedca.com



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