



Turkmenistan: Supporting the Introduction of International Financial Reporting Standard 9 Financial Instruments in Two Commercial Banks

Project Name	Supporting the Introduction of International Financial Reporting Standard 9 Financial Instruments in Two Commercial Banks				
Project Number	54411-001				
Country	Turkmenistan				
Project Status	Active				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 6578-TKM: Supporting the Introduction of International Financial Reporting Standard 9 Financial Instruments in Two Commercial Banks</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 225,000.00</td> </tr> </table>	TA 6578-TKM: Supporting the Introduction of International Financial Reporting Standard 9 Financial Instruments in Two Commercial Banks		Technical Assistance Special Fund	US\$ 225,000.00
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Technical Assistance Special Fund	US\$ 225,000.00				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development				
Sector / Subsector	Finance - Finance sector development				
Gender Equity and Mainstreaming	No gender elements				
Description	The objective of the Project is to implement IFRS 9 Financial Instruments in the two commercial banks ("Rysgal" and "Senagat"). The project will also disseminate knowledge of IFRS 9 to the broader banking community in Turkmenistan.				
Project Rationale and Linkage to Country/Regional Strategy	If successful, the Project will: - improve the banks' loan loss provisioning practices in line with IFRS 9 and hence help ensure that loan valuations are fairly reflected in their financial statements, and - allow them an important step towards complying with national law which prescribes International Financial Reporting Standards for the country's banking sector.				
Impact	"Rysgal" and "Senagat" banks' resilience to shocks strengthened				

Project Outcome	
Description of Outcome	"Rysgal" and "Senagat" banks' credit risk exposures adequately provided for
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	IFRS 9 methodologies and models developed, tested and applied for: (i) calculating 12-month and lifetime expected credit losses on "Rysgal" and "Senagat" banks' exposures; and (ii) moving the exposures from 12-month to lifetime expected credit loss measurement and vice versa "Rysgal" and "Senagat" banks' financial instruments for the year ended 31 December 2018 and the year ended 31 December 2019 restated, presented and disclosed in line with IFRS 9 and other IFRS as applicable Following the successful implementation of IFRS 9, wrap-up workshop(s) conducted for the broader audience representing the entire banking sector to disseminate the TA's findings and lessons learnt
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide

Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	

Business Opportunities	
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Consulting Services A consulting firm comprising a multiple-expertise team of international and national specialists will be recruited using consultants' qualifications selection (CQS) method. CQS is proposed because few consultants may be qualified for the assignment at hand. For example, any of the Big Four accounting firms is deemed to possess the required expertise to deliver the project outputs and outcomes subject to no conflict of interest -- actual, potential or perceived. ADB will engage the firm following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. The consulting firm will decide which specialists will be fielded but it will be strongly anticipated that experts in economics, econometrics, statistics, accounting and credit risk management will be included.

Responsible ADB Officer	Charyyev, Serdar
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Turkmenistan Resident Mission
Executing Agencies	Central Bank of Turkmenistan 22 Bitarap Turkmenistan Street Ashgabat 744000, Turkmenistan

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	19 Oct 2020
Last Review Mission	-
Last PDS Update	19 Oct 2020

TA 6578-TKM

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
225,000.00	0.00	0.00	0.00	0.00	0.00	225,000.00	-	0.00

Project Page	https://www.adb.org/projects/54411-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54411-001
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