

RSM in Kuwait

**IFRS 18**

**Implementation Services**

Reporting reimagined for a new era

Your trusted partner for IFRS 18 readiness,  
transition, and reporting transformation



# Table of contents

1. Emerging IFRS 18 priorities for Kuwait .....	3
2. IFRS 18 Implementation Services .....	4
3. Our IFRS 18 implementation approach .....	5
4. Why RSM in Kuwait for your IFRS 18 journey .....	6
5. Key benefits of our IFRS 18 services .....	7



# 1. Emerging IFRS 18 priorities for Kuwait

IFRS 18 — Presentation and Disclosure in Financial Statements — was issued by the IASB in April 2024 and replaces IAS 1. It is effective for annual periods beginning on or after 1 January 2027, with comparatives, and represents the biggest overhaul of the income statement in more than two decades.

*For listed entities, banks, insurers and large private groups in Kuwait, the runway is short — and the change reaches well beyond the face of the income statement:*

## New mandatory presentation structure

All income and expenses must now be classified into five categories — operating, investing, financing, income taxes and discontinued operations — with two new required subtotals: operating profit or loss, and profit or loss before financing and income tax.

## Management-defined Performance Measures (MPMs)

Subtotals used in investor presentations, press releases and management commentary now require formal disclosure in the audited statements — with reconciliations to IFRS subtotals, tax effects and non-controlling interest allocations.

## Retrospective restatement of comparatives

IFRS 18 applies retrospectively. For 31 December year-ends, comparative information for 2026 must already be captured and presented on the new basis — making 2026 a working comparative year, not a planning year.

## Systems, chart of accounts and reporting impact

ERP configurations, consolidation tools, chart-of-accounts hierarchies, sub-ledger mappings and management reporting packs all require redesign to capture the new categories, MPM tagging and disaggregation requirements.

## Stakeholder and regulatory communication

Investors, lenders, the Capital Markets Authority, Boursa Kuwait, the Central Bank of Kuwait and rating agencies will expect a clear narrative — and KPIs, covenants and incentive plans may need realignment.

We help organizations turn IFRS 18 from a regulatory deadline into a controlled, audit-ready transition — and an opportunity to refresh their performance narrative.

## 2. IFRS 18 Implementation Services

### Diagnostic & Gap Assessment

Tailored review of your current income statement, accounting policies and external communications against IFRS 18, with a prioritised implementation roadmap.

### Income Statement Redesign

Reclassification of income and expenses into the five new categories, design of the target presentation, and assessment of main business activities (MBAs).

### MPM Identification & Disclosure

Inventory of public communications, identification of subtotals meeting the MPM definition, and design of reconciliations, tax-effect and NCI disclosures.

### Aggregation, Disaggregation & Labelling

Application of the new principles for grouping items, review of generic “other” categories, and redesign of line items and labels for material information.

### Notes & Disclosures Redesign

Redesign of operating-expense analysis (by nature or function), specified additional notes, and the broader disclosure architecture aligned with IFRS 18.

### Restatement of Comparatives

Planning and execution of the restatement of prior period(s), reconciliations from previously-reported figures, and audit-ready working papers.

### Accounting Policy Update

Refresh of group accounting policies, manuals and disclosure templates — including consequential amendments to IAS 7, IAS 8, IAS 33 and IAS 34.

### Systems & Chart of Accounts

Advisory on ERP and consolidation configuration, chart-of-accounts redesign, mapping rules, and changes to management reporting packs.

### Training & Change Management

Role-based training for finance, FP&A, internal audit, investor relations and audit-committee members, and support communicating the change externally.

We combine deep technical depth with hands-on IFRS experience — delivering a controlled, audit-ready transition to IFRS 18 tailored to the realities of the Kuwait market.

## 3. Our IFRS 18 implementation approach

We deliver IFRS 18 through a phased, audit-aligned methodology — turning a regulatory deadline into a structured programme with clear deliverables at every step.



### 01 — Discover & Diagnose

- Understand business model, segments and reporting architecture
- Inventory current income statement, policies and KPIs
- Identify candidate management-defined performance measures (MPMs)
- High-level gap assessment with effort, risk and delivery roadmap

### 02 — Analyse & Design

- Map income and expense items to the new IFRS 18 categories
- Assess specified main business activities (banks, investment entities)
- Confirm MPMs, design reconciliations and the single MPM note
- Define the target income statement and new notes architecture

### 03 — Build & Implement

- Update chart of accounts and ERP / consolidation mapping rules
- Refresh accounting policies, manuals and disclosure templates
- Develop pro-forma financial statements and disclosure drafts
- Align management reporting packs with the new presentation

### 04 — Restate & Validate

- Restate the comparative period(s) and prepare reconciliations
- Quality review, audit liaison and resolution of technical points
- Dry-run the first reporting cycle on the new structure
- Prepare investor, lender and board communication materials

### 05 — Go-Live & Sustain

- Support the first IFRS 18 interim and annual reporting cycle
- Targeted training for finance, FP&A and audit-committee members
- Post-implementation review and continuous-improvement actions
- On-call technical support for subsequent reporting periods

## 4. Why RSM in Kuwait for your IFRS 18 journey



### Deep IFRS technical depth

Our team blends current IFRS technical knowledge with practical implementation experience across IFRS 9, 15, 16 and 17 — and now IFRS 18.



### Local market understanding

Since 1963, we have served Kuwait clients with deep familiarity of CMA, Boursa Kuwait, Central Bank of Kuwait and Ministry of Commerce expectations.



### Integrated multi-disciplinary team

We mobilise audit, tax, consulting, risk and technology specialists as one team — so IFRS 18 is addressed end-to-end, not piecemeal.



### Industry-sector experience

Banking, insurance, oil & gas, real estate, manufacturing, telecom, healthcare, retail, government and aviation — we understand sector reporting nuances.



### Global RSM network resources

Direct access to RSM's global IFRS centre of excellence and shared technical positions — bringing global insight to your Kuwait engagement.



### Transparent value advantage

Right-sized teams, scoped deliverables and transparent fees — engagements tailored to your size, complexity and reporting calendar.

## 5. Key benefits of our IFRS 18 services



### Audit-ready transition

Structured working papers, reconciliations and disclosure drafts that withstand external audit and regulatory scrutiny.

On-time, accurate compliance with IFRS 18, aligned with the expectations of the CMA, Boursa Kuwait, CBK and Ministry of Commerce.



### Regulatory confidence



### Cost & effort optimisation

Access to senior IFRS specialists on demand — avoiding the cost of permanent specialist hires for a one-off transition.

Investor, lender and board-ready communications explaining the new look of the income statement and protecting the trust you have built.



### Clear stakeholder narrative



### Reduced restatement risk

Comparatives restated once, properly, with a clear audit trail — reducing the risk of late reworks during the first reporting cycle.

Chart-of-accounts, ERP and reporting changes designed to support IFRS 18 and the next generation of management reporting.



### Optimised systems & processes



### Empowered finance team

Role-based training and embedded knowledge transfer leave your team confident, capable and self-sufficient on IFRS 18.

Actionable insight on how the new presentation may affect KPIs, covenants, incentive plans and external benchmarking.



### Strategic insights

“ Strong IFRS reporting isn't a compliance burden — it is an investment in transparency, valuation and access to capital.

# About RSM

RSM is a powerful network of assurance, tax and consulting experts with offices all over the world. As an integrated team, we share skills, insight and resources, as well as a client-centric approach that's based on a deep understanding of your business. This is how we empower you to move forward with confidence and realize your full potential.

## RSM Values

Respect and uncompromising integrity	Succeeding together	Excellence in all we do	Impactful innovation	Acting responsibly
--------------------------------------	---------------------	-------------------------	----------------------	--------------------

## RSM Statistics

Revenue\*\* growth of **4%\*** to **US\$7.7bn\*\*** in 2025

 <b>56,000</b> People* Worldwide	 <b>500</b> Offices	 <b>120</b> Countries
---	--	--

\*For accurate comparisons, RSM has excluded former alliance revenues and headcount from its 2024 revenues. On this basis, 2024 revenue was US\$7.4bn and headcount was 52,500. \*\*Revenue growth percentage calculated using constant currency conversions.

## About RSM in Kuwait

RSM in Kuwait was established as Kuwait Auditing Office – Bader Al Bazie & Co. in 1963 by Mr. Bader Al Bazie, who was allotted Auditor Registration Number 1-A. The Firm has steadily grown since then to become one of the leading professional services Firm in the State of Kuwait by offering assurance, tax and consulting.

## RSM in Kuwait services

Assurance	Tax	Consulting
<ul style="list-style-type: none"> <li>Audit</li> <li>Review</li> <li>Agreed upon Procedures</li> <li>Compilation</li> <li>Special Reports</li> </ul>	<ul style="list-style-type: none"> <li>Income Tax</li> <li>National Labour Support Tax (NLST)</li> <li>Zakat</li> </ul>	<ul style="list-style-type: none"> <li>Cybersecurity</li> <li>Corporate Finance</li> <li>Risk Consulting</li> <li>Sustainability</li> <li>Data Analytics</li> <li>Customer Experience (CX)</li> <li>IT Advisory</li> </ul>

## Ready to transform how you present your financial performance?

Contact our IFRS advisory leadership team to explore how RSM in Kuwait can guide your organisation from initial gap assessment through to a confident first IFRS 18 reporting cycle — and beyond.

 [assurance@rsm.com.kw](mailto:assurance@rsm.com.kw)

### RSM in Kuwait

Arraya Tower – Floors 41 & 42  
Abdulaziz Hamad Alsaqar St. - Sharq  
P. O. Box 2115, Safat – 13022, State of Kuwait  
T: +965 22961000 F: +965 22412761  
E: [connect@rsm.com.kw](mailto:connect@rsm.com.kw) W: [www.rsm.global/kuwait](http://www.rsm.global/kuwait)



RSM Albazie & Co. is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent assurance, tax and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 200 Aldersgate Street, London, EC1A 4HD, United Kingdom. The brand and trademark RSM and other intellectual property rights used by members of the Network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.