IFRS 9 for Non-Banks: Receivables and Expected Credit Losses

CertiFi micro-credential

1 course · 5 lessons · about 3 study hours · issued 28 Nov 2026

IFRS-05

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About 3 study hours · 5 lessons · pass mark 70% · AED 299

IFRS 9 is not only for banks. Every company with trade receivables must measure expected credit losses. Following an Abu Dhabi distributor, you will classify financial assets, build a provision matrix from ageing and loss history, add forward-looking information, and deal with related-party loans, factoring, write-offs and foreign exchange forwards. This is a CertiFi certificate of completion and is not a qualification of the IFRS Foundation.

On completion, you will be able to:

- Classify financial assets using the business model and cash flow tests
- Apply the simplified approach to trade receivables
- Build and update a provision matrix with forward-looking information
- Apply the general approach to loans, including related-party loans
- Account for factoring, write-offs, financial liabilities and simple derivatives

Learning outcomes by lesson

1. Financial instruments in an ordinary company

- Identify the financial instruments a trading company holds
- Classify financial assets
- Explain why impairment is the main issue for non-banks
- Apply the classification tests to the case company

2. Expected credit losses: the simplified approach

- Define expected credit loss
- Explain the general and simplified approaches
- Say when the simplified approach applies
- Group receivables for assessment

3. Building a provision matrix

- Derive historical loss rates from ageing data
- Adjust for current and forecast conditions
- Calculate the loss allowance
- Record the movement and review the result

4. Loans, deposits and the general approach

- Describe the three stages of the general approach
- Identify a significant increase in credit risk

- Apply ECL to bank deposits and related-party loans
- Decide when to write off

5. Factoring, liabilities, forwards and disclosure

- Decide whether factored receivables are derecognised
- Measure financial liabilities and account for changed loan terms
- Account for a foreign exchange forward
- List the main disclosures under IFRS 7