

Point of View

# Building Resilience

Financial Reporting in  
an Evolving Geopolitical  
Landscape

March 2026

# EXECUTIVE SUMMARY

Ongoing geopolitical developments in West Asia have introduced a new layer of uncertainty into the global economic environment, reshaping the macro and risk landscape with implications for business leaders.

The International Monetary Fund (“IMF”) has already identified disruptions to trade, energy price surges, and financial market volatility as observable consequences, with the full economic impact still evolving. For organizations with direct or indirect exposure to the region through supply chains, commodity pricing, currency positions, or financing relationships, the implications for liquidity, solvency, and financial reporting could potentially be significant.

Recent history provides a clear reminder of how quickly such developments can affect financial planning. During the COVID-19 pandemic and other such geopolitical developments, organizations that mobilized their finance function early, refreshed key assumptions and models, and communicated transparently with stakeholders generally navigated the event more effectively. Those who waited for ‘greater certainty’ often found themselves reacting under pressure, with limited flexibility.

For finance leaders, the early weeks of geopolitical developments are critical. Liquidity resilience and financial reporting integrity must be assessed in parallel rather than sequentially. Financial forecasts need to be stress-tested before covenant pressure emerges. Accounting assumptions need to be revisited before finalizing financial results. Boards and audit committees must be informed early so that governance and oversight remain effective.

This publication aims to support finance leaders during this period of heightened uncertainty. It outlines:

- the geopolitical context and economic transmission channels affecting businesses
- key IFRS accounting and financial reporting considerations
- strategic priorities for CFOs and finance leaders beyond the close process
- a practical action roadmap for finance teams

The objective is to help organizations respond to geopolitical uncertainty with clarity, discipline, and transparency.

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# GEOPOLITICAL CONTEXT AND ECONOMIC TRANSMISSION CHANNELS

Geopolitical developments in West Asia rarely remain confined to the region. They affect multiple economic channels, ultimately impacting business performance and financial reporting. Finance leaders, therefore, need to understand not only what is happening geopolitically, but how these developments may translate into changes in revenue expectations, cost structures, liquidity, and asset valuations.

## Energy and Commodity Markets

Energy markets represent the most immediate transmission channel. Crude oil prices have moved above levels seen before the recent regional developments. Any further disruption could push prices significantly higher.

For energy-intensive sectors, this directly increases operating costs. For the broader economy, higher energy prices may increase inflation expectations and influence monetary policy.

From a financial reporting perspective, these developments can affect:

Impairment Testing Assumptions

Discount Rates Used Across  
Multiple Accounting Estimates

The Economics of Long-Term  
Contracts

Demand Forecasts in Energy  
Sensitive Sectors

# Financial Markets and Funding Conditions

Periods of geopolitical uncertainty are often reflected in financial markets through:



Entities with exposure to regional financial institutions or sovereign issuers may be affected first. However, the impact often extends to leveraged corporates and emerging markets more broadly.

For finance leaders, this environment may affect:



Even where capital markets remain open, the cost of financing may move beyond the levels embedded in existing business plans.

## Trade Routes and Supply Chains

West Asia and surrounding sea lanes represent a critical corridor for global shipping and aviation.

Security concerns, increased insurance premiums, and rerouting of vessels have already led to:



For many organizations, this may result in higher working capital requirements and increased inventory buffers. For others, particularly those dealing with time-sensitive goods, delays may result in inventory write-downs or onerous contracts.

These developments suggest that the implications may extend beyond the near term. It has the potential to reshape operating conditions across multiple sectors.

# ACCOUNTING AND FINANCIAL REPORTING CONSIDERATIONS

The current environment requires careful application of existing IFRS guidance, particularly in areas that rely on forward-looking estimates and management judgment. Finance teams should reassess whether existing models, assumptions, and disclosures continue to reflect current conditions.

## Forecasting and Critical Accounting Estimates

Many accounting areas rely heavily on forward-looking assumptions. These include:



In the current environment, management should reassess macro-economic assumptions, including:



Sensitivity analysis should also be performed to understand how different economic scenarios could affect financial results.

# Going Concern and Material Uncertainty (IAS 1 / IFRS 18)

Going concern remains a foundational assumption in financial reporting. However, during periods of geopolitical uncertainty, it becomes a key governance issue. Management is required to assess the entity's ability to continue as a going concern for at least twelve months from the reporting date.

In the current environment, this assessment should not simply rely on prior-year conclusions. Key assumptions should be refreshed and applied consistently across financial models.

## Areas Requiring Particular Attention May Include:

Concentration of Revenue or Assets in Affected Regions

Significant Upcoming Debt Maturities

Dependence on Supply Chains Passing Through Affected Trade Routes

Reliance on Regional Financial Institutions

Even where management concludes that no material uncertainty exists, auditors typically expect clear documentation of the analysis performed and the scenarios considered.

## Expected Credit Losses (ECL) (IFRS 9)

Geopolitical instability can increase credit risk across multiple sectors and geographies. ECL models were generally developed under macroeconomic assumptions that may not fully reflect current conditions. As a result, they may underestimate both the probability of default and loss given default for exposures linked to affected sectors, trade routes, or regional economies. IFRS 9 recognizes this challenge and allows management to apply overlays where models do not adequately capture reasonably foreseeable risks.

## Financial Institutions

Financial institutions should reassess whether their existing ECL models adequately capture the evolving risk environment. Key considerations may include:

- Stress testing ECL models under alternative macroeconomic scenarios, including oil price volatility (for example, USD 80, USD 100, and USD 120/barrel) and broader economic impacts on sectors such as energy, shipping, and trade finance
- Reassessing Stage 1, Stage 2, and Stage 3 classification to determine whether exposures linked to the region represent a significant increase in credit risk
- Evaluating whether management overlays are necessary where existing models do not fully capture emerging risks

## Corporates

Corporates should also reassess expected credit losses on trade receivables and contract assets, particularly where customers operate in affected geographies or sectors. Finance teams should consider:

- Updating loss rate matrices used under the simplified approach to reflect current economic conditions
- Assessing whether receivable portfolios with significant geographic concentration require additional overlay adjustments
- Performing specific provision assessments for individually significant receivable balances where credit risk indicators have deteriorated

In the current environment, finance leaders should ensure that any adjustments to ECL estimates are supported by updated macro-economic assumptions, appropriate governance, and clear documentation.

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# Revenue Recognition (IFRS 15)

Revenue recognition is another area where the immediate impact of geopolitical disruption is often underestimated. Organizations with long-term construction, engineering, shipping, or industrial service contracts linked to affected trade routes may experience gradual changes in the economics of their arrangements. In many cases, contracts are not canceled. Instead, their terms evolve as operational conditions change.

Common developments may include:

- |                             |                            |                                               |                              |
|-----------------------------|----------------------------|-----------------------------------------------|------------------------------|
| 01.                         | 02.                        | 03.                                           | 04.                          |
| Amendments to Project Scope | Informal Price Concessions | Changes to Payment Terms or Credit conditions | Cancellation / Force Majeure |

Under IFRS 15, management must evaluate whether these developments represent contract modifications, even where they are not formally documented but are effectively agreed through consistent business behavior. Depending on the nature of the modification, entities may need to:

- Treat the Change as a Separate Contract
- Reallocate the Transaction Price Across Remaining Performance Obligations
- Revise the Pattern of Revenue Recognition Over Time

Variable consideration is another key area of judgment. Many long-term contracts include elements such as bonuses, penalties, or rebates linked to performance milestones. Where geopolitical disruption increases uncertainty around project timelines, delivery outcomes, or cost structures, the range of potential outcomes may widen significantly. In such cases, the constraint on variable consideration may need to be applied more conservatively.

Collectability is often a critical pressure point in stressed economic environments. The IFRS 15 'collectability assessment' should not be performed in isolation from credit risk assessments under IFRS 9. For example, where the credit risk function has identified a customer as high risk under the expected credit loss framework, it may become more difficult to conclude that collectability remains probable for revenue recognition purposes.

If expected contract consideration declines or margins compress significantly due to delays, higher costs, or renegotiated pricing, the recoverability of these balances may need to be reassessed. This analysis is often closely linked to expected credit loss assessments and broader impairment testing.

Finance leaders should assess whether force majeure provisions embedded in long-term revenue contracts have been or could be triggered by the ongoing

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developments. A valid force majeure trigger may suspend performance obligations, delay control transfer, or affect the enforceability of payment terms, each of which requires reassessment under IFRS 15.

Given the level of judgment involved, finance leaders should ensure that any changes to revenue recognition assumptions are clearly documented and discussed with auditors early in the reporting cycle.

## Lease Accounting (IFRS 16)

Lease portfolios may also be affected by operational disruptions arising from the current environment. Lessees operating in impacted geographies or sectors may negotiate rent concessions, payment deferrals, or changes to lease scope and term. In some cases, contractual force majeure clauses may be invoked where geopolitical developments or related government actions significantly disrupt the ability to access or use leased assets. At the same time, rising credit spreads may affect incremental borrowing rates, and some right-of-use (ROU) assets may show signs of impairment.

Finance teams should assess whether such changes represent lease modifications under IFRS 16. Where lease terms are renegotiated, organizations may need to remeasure the related lease liability using an updated incremental borrowing rate, with a corresponding adjustment to the right-of-use asset.

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If a force majeure clause that is already in the lease is validly triggered, any resulting rent relief is usually treated as a variable lease payment in the period, with no remeasurement of the lease liability or ROU asset. If the parties instead renegotiate terms beyond that clause (e.g., permanent rent cuts, term changes), this is typically a lease modification that requires remeasuring the lease liability using an updated incremental borrowing rate with a corresponding adjustment to the ROU asset.

Organizations should also consider whether reduced utilization, operational disruption, or structural changes in demand indicate potential impairment of right-of-use assets. Where relevant, these assets should be included in impairment assessments performed under IAS 36.

To ensure consistency across the financial statements, the discount rates, cash flow projections, and macroeconomic assumptions used in lease modifications and right-of-use asset impairment assessments should be aligned with those applied in other balance sheet analyses, including goodwill impairment testing, expected credit loss assessments, and going concern evaluations.

## Inventory Valuation (IAS 2)

For many organizations, the earliest financial impact of supply chain disruption will become visible in inventory balances.

IAS 2 requires inventories to be measured at the lower of cost and net realizable value (NRV). NRV reflects the estimated selling price in the ordinary course of business, less the costs required to complete and sell the inventory. In a disrupted trade environment, all three elements - selling price, completion costs, and selling expenses may change simultaneously.

Entities with inventory destined for West Asia markets, or reliant on shipping routes that are now subject to delays or rerouting, should first identify the inventory populations that may be affected. In practice, several scenarios may arise:

**01** goods may be rerouted to alternative markets, potentially at lower prices

**02** demand in the original destination market may decline significantly

**03** inventory may become stranded for extended periods, increasing the risk of obsolescence or spoilage

In each case, the NRV assessment should reflect the best available information about updated selling prices and related costs, rather than relying on historical assumptions or earlier forecasts. Where slow-moving or obsolete inventory has accumulated due to disruption in regional demand or logistics, entities should evaluate whether a write-down to NRV is required.

An additional area of judgment arises in the treatment of incremental freight and logistics costs. IAS 2 allows capitalization of costs necessary to bring inventory to its present location and condition. However, clearly abnormal costs such as spoilage, inefficiencies, or extraordinary storage and demurrage charges must be expensed as incurred.

In the current environment:

**Persistent increases in freight costs or insurance premiums associated with longer shipping routes may, in some circumstances, qualify as inventory cost**

**One-off emergency measures, such as expedited air freight or exceptional storage costs due to delays, are more likely to be considered abnormal costs and therefore expensed**

Given the judgment involved, finance leaders should establish a clear accounting policy distinguishing between capitalizable logistics costs and abnormal period expenses and apply this policy consistently across inventory categories. Addressing these questions early can help avoid inconsistent treatment and audit challenges during the reporting process.

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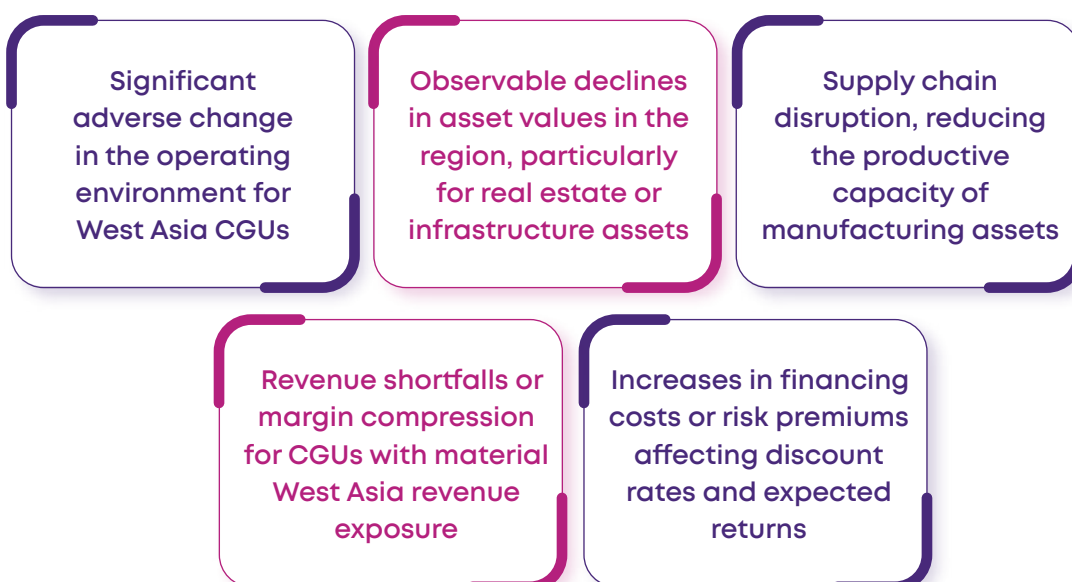
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# Goodwill / Non-Financial Asset Impairment (IAS 36)

The current geopolitical environment may represent an external impairment indicator for businesses with operations, assets, or revenue exposure to West Asia. Where such indicators exist, entities should reassess whether the carrying value of affected assets or cash-generating units (CGUs), including any allocated goodwill, remains recoverable. In some cases, this may require a more detailed impairment assessment using updated forecasts and assumptions.

## Potential Impairment Indicators

Finance teams should evaluate whether any of the following indicators are present:



The presence of one or more of these indicators does not automatically result in an impairment charge. However, it does require management to reassess whether asset carrying values remain supportable.

## Reassessment of Forecasts and Assumptions

When impairment indicators exist, finance teams should revisit the assumptions underlying business forecasts and valuation models. These assumptions should reflect the latest available information about market conditions, including potential impacts on demand, pricing, operating costs, financing costs, and supply chain disruption.

Using forecasts or discount rates prepared before the current regional developments, without reassessment, may not be consistent with the requirements of IAS 36.

## Governance and Documentation

Impairment assessments are likely to receive increased scrutiny from auditors and regulators during periods of geopolitical uncertainty. Finance teams should therefore ensure that:



Organizations should not wait for the interim reporting period to begin impairment assessments. Internal documentation should be complete before external auditors arrive. Under-documented impairment analysis is extremely difficult to defend in the current regulatory climate; particularly for any IAS 36 indicator that has been identified but not acted upon.

## Onerous Contracts and Restructuring (IAS 37)

Cost increases and operational disruptions arising from geopolitical developments may cause certain contracts to become loss-making.

Under IAS 37, a contract is considered onerous when the unavoidable costs of fulfilling the contract exceed the economic benefits expected to be received. In the current environment, finance teams should reassess whether changes in input costs, logistics arrangements, or project timelines have altered the profitability of existing agreements.

Scenarios that may require closer evaluation include:

- 1 Supply contracts dependent on West Asia-origin raw materials or shipping routes, where higher energy prices, freight costs, or insurance premiums may increase fulfillment costs beyond contract pricing
- 2 Long-term fixed-price contracts with customers or suppliers in affected markets, where cost escalation cannot be passed on, and contractual relief mechanisms such as force majeure may not apply
- 3 Construction and infrastructure projects, where project delays, scope changes, or renegotiated timelines may affect expected margins and variable consideration

- 4** Shipping and logistics contracts with fixed freight rates that may no longer cover the higher costs associated with rerouting vessels or extended transit times

Where such circumstances arise, entities should assess whether the contract has become onerous and recognize a provision for the unavoidable loss. In practice, this assessment often requires coordination between finance, procurement, and legal teams to understand current contractual obligations and potential mitigation options.

## Foreign Exchange and Hedging (IAS 21 / IFRS 9)

Geopolitical developments are often accompanied by increased currency volatility. For organizations with operations, suppliers, or financing arrangements linked to West Asia, movements in exchange rates can quickly affect reported earnings, cash flows, and balance sheet positions.

Finance teams should reassess:



Where exposures are significant, management may need to revisit hedging strategies and ensure that financial statement disclosures clearly explain how foreign exchange movements affect performance and risk. Well-crafted foreign currency and hedging disclosures do more than satisfy compliance requirements - they help organizations communicate how volatility is being managed, how cash flows are protected, and how covenant resilience is maintained in a more uncertain geopolitical environment.

# Employee-Related Provisions (IAS 19 / IAS 37)

Geopolitical developments may also affect employee-related obligations, particularly where organizations introduce additional support measures for staff located in or affected by the region.

Where management communicates commitments such as evacuation support, temporary housing, hardship allowances, or family assistance, a constructive obligation may arise. Under IAS 37, such obligations may require recognition once it becomes probable that the entity will incur costs and those costs can be reasonably estimated.

Additional employee payments or allowances introduced as part of support programs should also be assessed under IAS 19 and recognized in the period in which the obligation arises.

In some cases, organizations may also consider restructuring or scaling back operations in affected regions. Where a formal restructuring plan exists, and employees have a valid expectation that it will be implemented, termination benefits may need to be recognized in accordance with IAS 19.

For entities operating defined benefit or gratuity plans in countries within West Asia, changes in financial market conditions may also affect actuarial assumptions such as discount rates. Finance teams should consider whether updated valuations or sensitivity analyses are required.

## Events After Reporting Period (IAS 10)

Geopolitical developments may occur after the reporting date but before financial statements are authorized for issue. In such events, entities must assess whether these developments represent events that require adjustments to the financial statements or events that require disclosure.

In many cases, geopolitical developments occurring after the reporting date will be treated as non-adjusting events because they relate to conditions arising after the reporting period. However, where the events are material, entities are required to disclose the nature of the event and, where practicable, provide an estimate of the potential financial impact.

Given the rapidly evolving geopolitical environment, finance teams should ensure that post-reporting event disclosures are specific to the entity's circumstances. Generic references to geopolitical uncertainty are unlikely to provide sufficient transparency for stakeholders.

In practice, this requires finance teams to reassess developments occurring between the reporting date and the date financial statements are finalized, and to ensure that any material implications for operations, financial performance, or risk exposures are clearly communicated in the financial statements.

## Risk Disclosures (IFRS 7)

Risk disclosures prepared before the recent geopolitical developments may no longer reflect the current operating environment. Finance leaders should reassess whether existing disclosures provide a clear, transparent picture of the organization's financial risk exposure.

IFRS 7 requires both qualitative and quantitative disclosures relating to risks arising from financial instruments. In the current environment, particular attention should be given to the following areas:

### Market Risk

Entities should reassess their sensitivity analyses for foreign exchange and interest rate movements to ensure they reflect current volatility levels. Scenarios that previously appeared remote may now represent realistic outcomes.

### Credit Risk

Where businesses have customers, counterparties, or investments linked to West Asia, disclosures should clearly explain the extent of those exposures and how expected credit loss provisions have been affected by recent developments.

### Liquidity Risk

Contractual maturity analyses and narrative disclosures should reflect current funding conditions, including potential refinancing risks and the availability of committed credit facilities.

Beyond technical compliance, investors and regulators increasingly expect clear, entity-specific disclosures explaining how geopolitical developments affect the organization's financial risks and how management is responding to those risks.

# Insurance Contracts (IFRS 17)

Insurance entities may experience increased claims volatility and pricing adjustments as geopolitical developments affect insured assets, infrastructure, and business operations in the region. At the same time, tightening reinsurance capacity and higher reinsurance premiums may affect the recoverability and valuation of reinsurance assets.

Under IFRS 17, insurers may need to reassess key assumptions used in measuring insurance contract liabilities and reinsurance recoverable, including expected claims, risk adjustments, and future cash flow estimates.

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# STRATEGIC PRIORITIES FOR FINANCE LEADERS BEYOND FINANCIAL REPORTING

Beyond financial reporting, CFOs play a central role in strengthening organizational resilience during periods of geopolitical uncertainty.

## Liquidity Management

The COVID-19 pandemic demonstrated that the first 60 days of a systemic shock often determine an organization's resilience. The companies that navigated this event most effectively in 2020 secured liquidity before they actually needed it. That lesson remains highly relevant today.

- 01 Proactively draw on revolving credit facilities**, even if the funds are not immediately required. A precautionary drawdown creates a liquidity buffer that cannot be withdrawn once bank risk appetite tightens.
- 02 Accelerate working capital conversion**. Tools such as dynamic discounting or supply chain finance can help reduce days sales outstanding (DSO). In a tightening credit environment, cash on the balance sheet is more valuable than receivables on paper.
- 03 Defer discretionary capital expenditure**. Categorize capital expenditure into committed (contractual), strategic, and discretionary. Projects in the discretionary category should be paused where appropriate.
- 04 Stress-test cash runway**. Model liquidity positions over 90-day, 180-day, and 12-month horizons under base, moderate, and severe scenarios. These results should be visible at the board level - not limited to treasury.
- 05 Review intercompany funding structures**. Identify regional subsidiaries that depend on parent funding and assess whether cash repatriation from regional operations remains feasible, taking into account currency and regulatory constraints.

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# Supply Chain Continuity

Trade routes across the Persian / Arabian Gulf carry not only energy but also manufactured goods, chemical inputs, and food commodities. Shipping disruptions and vessel rerouting are already adding both time and cost to global supply chains. Companies dependent on GCC supply inputs or transit routes should act early.

**01 Inventory risk assessment:** Identify raw materials and finished goods where supply disruption could create shortages. Where feasible, evaluate alternative sourcing from other geographies.

**02 Working capital impact:** Longer transit times and increased safety stock levels will absorb working capital. These impacts should be incorporated into liquidity stress testing.

**03 Supplier viability:** Suppliers operating in the region may face their own liquidity pressures. Finance teams should assess the financial health of critical or sole-source suppliers and, where appropriate, evaluate contingency arrangements.

**04 Force majeure review:** Review contractual force majeure provisions and determine whether current conditions meet contractual thresholds and whether the organization may need to invoke or respond to such clauses.

**05 Inventory valuations:** Where demand disruption leads to slow-moving or obsolete inventory, entities should assess whether write-downs to net realizable value under IAS 2 are required.

# Foreign Exchange and Financial Risk Management

Currency volatility typically increases during geopolitical disruptions, and exposures linked to the region may affect both earnings and cash flows.

**01 Map foreign exchange exposures:** Identify exposures across key regional currencies (such as ILS, AED, SAR, TRY, and EGP) and quantify potential impacts on profit and equity under current exchange rates.

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- 02 Derivative counterparty risk:** Assess whether derivative counterparties have exposure to regional financial institutions. Credit valuation adjustments may need to be updated when counterparty risk increases.
- 03 Cash repatriation planning:** For subsidiaries holding surplus cash in the region, evaluate repatriation feasibility, including regulatory restrictions, tax implications, and potential currency volatility.
- 04 Natural hedges:** Identify operational natural hedges, where regional revenues offset regional costs. Documenting these relationships can support risk management strategies and reduce reliance on external hedging instruments.
- 05 Evaluate hedging opportunities:** Current market conditions may present opportunities to layer additional hedges for West Asia related exposures, particularly where volatility has created favorable entry points.

## Stakeholder Communication

During periods of geopolitical uncertainty, a lack of communication can quickly be interpreted as a lack of control. CFOs should ensure stakeholders receive clear, consistent updates.

- 01 Equity investors:** Provide transparent disclosure of West Asia exposure, including revenue concentration, asset footprint, and supply chain dependencies.
- 02 Debt holders and banks:** Monitor covenant headroom closely. If covenant pressure becomes likely, early discussions around waivers or amendments are typically more constructive than reacting after a breach occurs.
- 03 Rating agencies:** Where regional exposure is material, proactive engagement helps prevent agencies from relying on incomplete or outdated information.
- 04 Board and audit committee:** Consider convening a dedicated briefing within the first 30 days to review liquidity, risk exposure, financial reporting implications, and strategic response options.

# Stress Testing of Capital Buffers

Capital resilience has become a governance priority not only for financial institutions but also for large corporates.

**01 For banks:** Stress test Tier 1 capital ratios under scenarios involving higher oil prices and prolonged disruption of regional trade flows, and present the results to the board risk committee.

**02 For corporates:** Assess how revenue compression or margin pressure could affect net debt-to-EBITDA ratios, dividend capacity, and covenant compliance.

**03 Regulatory capital (banks):** Current geopolitical risks should also be reflected in internal capital adequacy processes and regulatory stress testing frameworks.

## Asset Liability Management (ALM) Stress Testing

Asset-liability management becomes particularly relevant for banks, insurers, and entities with significant financial assets or long-term liabilities.

**01 Interest rate sensitivity:** Rising rates may affect both asset valuations and long-term liabilities such as defined benefit obligations or insurance reserves.

**02 Liquidity gap analysis:** Construct cash flow maturity profiles under stressed funding and asset liquidity scenarios.

**03 Funding concentration:** Identify potential reliance on funding sources linked to regional sovereign or institutional investors, as these sources may withdraw quickly during periods of geopolitical stress.

**04 Islamic finance institutions:** Islamic banking and takaful structures may exhibit different repricing characteristics compared to conventional financial products and should therefore be stress-tested separately.

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# CFO ACTION ROADMAP

The following roadmap outlines practical actions finance leaders may consider.

## Governance

Weeks 1-2

Convene a Finance and Risk task force with a clear mandate and weekly cadence

## Liquidity Management

Weeks 1-2

Run liquidity stress tests under 90-day, 180-day, and 12-month scenarios (base, moderate, severe)

## Funding

Weeks 1-2

Assess revolving credit facility drawdown and covenant headroom

## Supply Chain

Weeks 1-2

Map region-dependent supply chain inputs and evaluate alternative sourcing

## FX Exposure

Weeks 1-2

Review all open FX exposures, revalue at current rates, and quantify potential P&L and OCI impacts

## Hedging

Weeks 1-2

Assess hedge accounting effectiveness across all region-linked hedge relationships

## Lender Engagement

Weeks 1-2

Proactively engage key lenders and share quantified covenant headroom analysis

## Governance Oversight

Weeks 1-2

Brief the board and audit committee, and consider convening a dedicated session within 30 days

## Business Continuity

Weeks 1-2

Activate business continuity protocols for region-dependent operations and finance teams

## Capital Resilience

Weeks 1-2

Commission ALM stress testing and capital buffer sensitivity analysis (particularly for financial institutions)

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**Exposure Mapping**

Weeks 2-4

Map all region-linked balance sheet exposures, including receivables, investments, PPE, goodwill, and right-of-use assets

**Credit Risk**

Weeks 2-4

Perform IFRS 9 ECL overlay analysis reflecting updated macro-economic scenarios and governance approval

**Onerous Contract Assessment**

Weeks 2-4

Review significant long-term contracts against current cost structures and assess whether any contracts may have become onerous

**Valuation Assumptions**

Weeks 2-4

Review key valuation assumptions used across IAS 36, IAS 19, IFRS 16, and IFRS 13 models

**Impairment**

Weeks 2-4

Perform impairment indicator assessments for CGUs with exposure to West Asia

**Going Concern**

Weeks 2-4

Review going concern assessments and determine whether enhanced analysis or disclosures are required

**Employee Obligations**

Weeks 2-4

Assess potential employee-related obligations arising from support measures or workforce communications

**Risk Disclosures**

Weeks 2-4

Update financial risk disclosures to reflect current market conditions and exposures

**Post-Reporting Events**

Weeks 2-4

Evaluate developments occurring after the reporting date and prepare appropriate IAS 10 disclosures where relevant

**Revenue Recognition**

Weeks 2-4

Review IFRS 15 variable consideration estimates for revenue contracts affected by regional developments

# CONCLUSION

Geopolitical developments in West Asia introduce uncertainty into both the economic environment and the financial reporting process.

For finance leaders, the priority is to respond proactively by reassessing key assumptions, strengthening liquidity planning, and ensuring that financial reporting remains transparent and robust.

Organizations that approach these challenges with disciplined financial management and clear communication will be better positioned to navigate uncertainty and maintain stakeholder confidence.

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## About Uniquis Consultech:

Uniquis Consultech is a global tech-enabled consulting company that specializes in Accounting & Reporting, Governance, Risk & Compliance, Sustainability & Climate, Tech Consulting, and Valuations. The Company is co-founded by consulting veterans Jamil Khatri and Sandip Khetan and backed by marquee investors such as Nexus Venture Partners, Sorin Investments, and UST.

Uniquis has a global team of 700+ professionals led by 85+ Partners & Directors across eleven offices in the USA, West Asia, and India. The company serves more than 300 clients, including marquee names in each of the markets it operates in.

Uniquis is committed to leveraging technology and an integrated global delivery model to provide best-in-class consulting services to its clients.

## About Our Accounting & Reporting Consulting Services:

In today's dynamic business environment, organizations are continuously required to adapt to the dynamic shifts in accounting & reporting standards and regulations. Enhanced management reporting requirements and accelerated reporting timelines necessitate increased automation within the finance function. Special events, such as preparing for an IPO/capital market transaction or fulfilling the reporting requirements arising from an M&A transaction, introduce additional complexities and challenges for the finance function.

As a result, organizations need to transform their finance functions from time to time with a focus on people, processes, and technology. Our Accounting & Reporting Consulting (ARC) practice is designed to partner with the finance function through these challenges. Our teams function as an extension of your finance teams to execute your plans seamlessly.

We bring the necessary technical expertise, skills, technology, and bandwidth, enabling you to navigate your plans in real time without adding additional manpower costs within the organization.

## A Team That You Can Trust to Deliver



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