From IAS 39 to IFRS 9

Key differences and implementation from 1 January 2028 in North Macedonia

1 | The local implementation context

IFRS 9 replaces the principal IAS 39 requirements for classification, measurement and impairment, and introduces a revised hedge accounting model. Internationally, IFRS 9 has applied to annual periods beginning on or after 1 January 2018. The North Macedonian commencement date discussed here relates to the locally adopted reporting framework, rather than a new IASB effective date. [1, 2]

The Rulebook on the manner of keeping accounting records (Official Gazette No. 75/2024), supplemented by No. 274/2024, provides for deferred application of IFRS 9 from **1 January 2028**. The World Bank's North Macedonia ROSC 2025 confirms this deferral for the general corporate framework. For a calendar-year entity within that framework, 2028 is therefore the first annual reporting period applying IFRS 9. [3]

Scope matters. This briefing primarily addresses companies applying locally adopted full IFRS. Entities using IFRS for SMEs must assess their own applicable framework. Banks operate under sector-specific requirements: National Bank changes implemented IFRS 9 from 1 January 2018. Insurers should coordinate the financial-instrument transition with their applicable insurance reporting requirements. The 2028 date should therefore not be presented as a universal first-use date for every entity. [3, 4]

2 | What changes in practice?

The most visible change for many non-financial businesses is earlier recognition of credit losses on receivables, including balances that are not overdue. Businesses also need documented decisions about investment classification, contractual cash flows and the basis of their estimates. The IASB's completed impairment review found that IFRS 9 results in more timely loss recognition than IAS 39. [5]

Business exposure	Implementation focus
Customer receivables and contract assets	Develop a supportable expected credit loss methodology and reliable ageing data.
Loans, deposits and debt investments	Assess business model, contractual terms and credit risk; do not assume low risk means no assessment.
Equity investments and derivatives	Review fair-value measurement, presentation choices and any hedge designations.

Prepared 1 November 2026. Implementation planning brief; apply the locally enacted text and relevant sector rules. Later IASB amendments require a separate assessment of local adoption.

IAS 39 and IFRS 9 compared

3 | The principal accounting differences

Area	IAS 39	IFRS 9
Financial assets	Four main categories: loans and receivables, held-to-maturity, available-for-sale and fair value through profit or loss (FVTPL).	Debt instruments: amortised cost, fair value through other comprehensive income (FVOCI), or FVTPL, based on business model and contractual cash flows.
Debt classification	Category definitions and designation rules determine measurement.	Amortised cost: hold to collect plus SPPI. Debt FVOCI: collect and sell plus SPPI. Otherwise FVTPL; a qualifying fair-value option may apply.
Equity investments	Generally available-for-sale or FVTPL; a limited cost exception exists for certain unquoted equity instruments.	Fair value required. FVTPL is the default; an irrevocable instrument-by-instrument OCI election is available for eligible non-trading equity investments. No recycling of those OCI gains/losses to profit or loss.
Impairment	Incurred-loss model: objective evidence of a loss event is required.	Forward-looking expected credit losses (ECL); recognition need not wait for a loss event.
Financial liabilities	Most measured at amortised cost; some at FVTPL.	Largely retained. For liabilities designated at FVTPL, own-credit changes generally go to OCI unless this creates or enlarges an accounting mismatch.
Hedge accounting	More restrictive eligibility and effectiveness requirements, including the 80-125% effectiveness test.	Closer alignment with risk management; economic relationship and hedge-ratio criteria replace the numerical bright line. An accounting-policy option permits continued IAS 39 hedge accounting.
Derecognition	Rules for removing assets and liabilities from the balance sheet.	Largely carried forward; transition is not a general reset of recognition.

SPPI = solely payments of principal and interest. **OCI** = other comprehensive income. The business model reflects how portfolios are actually managed, not simply management's intention for an individual asset. Classification and liability principles: [1, 6]; hedge accounting and overall reform: [2, 6].

4 | Expected credit losses: general and simplified approaches

Under the general approach, Stage 1 uses 12-month ECL; Stage 2 uses lifetime ECL following a significant increase in credit risk; Stage 3 also uses lifetime ECL for credit-impaired assets. Interest is generally calculated on the gross balance in Stages 1 and 2 and on amortised cost, net of allowance, in Stage 3. Purchased or originated credit-impaired assets have specific rules. [6, 7]

Twelve-month ECL represents lifetime cash shortfalls arising from defaults possible in the next 12 months; it is not simply the cash shortfalls expected during those 12 months. Estimates incorporate reasonable, supportable forward-looking information and probability-weighted outcomes. [7]

For trade receivables and IFRS 15 contract assets without a significant financing component, lifetime ECL is mandatory under the simplified approach. A provision matrix can be used, with historical experience adjusted for current conditions and forecasts. Eligible longer-term receivables and lease receivables involve policy choices. [6]

Turning requirements into action

5 | Illustration: a receivables provision matrix

Illustrative assumptions only: a company groups customers with similar credit-risk characteristics and applies lifetime loss rates already adjusted for current conditions and forecasts. The rates below are not prescribed by IFRS 9.

Ageing bucket	Gross balance (MKD)	Adjusted loss rate	ECL (MKD)
Not overdue	6,000,000	0.5%	30,000
1-30 days overdue	2,000,000	2.0%	40,000
31-90 days overdue	1,500,000	8.0%	120,000
Over 90 days overdue	500,000	40.0%	200,000
Total	10,000,000		390,000

If the existing IAS 39 allowance is MKD 250,000, the additional allowance is **MKD 140,000**. Assuming transition relief permits non-restatement of comparatives, the opening entry on 1 January 2028 is: debit retained earnings MKD 140,000; credit loss allowance MKD 140,000, before any tax effect. Assess deferred tax separately. Individually distressed customers may require a separate assessment to avoid inappropriate averaging or double counting.

6 | Recommended preparation and transition plan

During 2027: assign a project owner; inventory financial instruments; document business models and SPPI conclusions; choose relevant accounting policies; collect historical defaults, recoveries and write-offs; reconcile receivable ageing to the ledger; and perform a parallel ECL calculation. Approve forecast adjustments and maintain a clear review trail.

At 1 January 2028: complete classification and measurement assessments, calculate opening ECL, and document transition adjustments. IFRS 9 generally applies retrospectively, subject to specific exceptions. Comparative restatement is not mandatory; it is permitted only if achievable without hindsight. If comparatives are not restated, recognise the transition difference in opening retained earnings or another appropriate equity component. Distinguish this transition from first-time adoption under IFRS 1. [6]

For the 2028 financial statements: prepare the relevant IFRS 7 transition reconciliations and credit-risk disclosures; explain methods, assumptions and changes in allowances. Review effects on equity, covenants and management reporting. The Council's technical guidance addresses recording IFRS effects within the existing chart of accounts and presenting them in financial-statement disclosures while local forms are being updated. [8]

Sources and technical references

[1] IFRS Foundation - IFRS 9 overview and effective date

[2] IASB - completion of financial instruments reform (2014)

[3] World Bank - North Macedonia ROSC 2025, accounting framework table; Gazette 75/2024 and 274/2024

[4] Republic of North Macedonia - Offering Circular (2021), p. 166, banking implementation

[5] IASB - Post-implementation Review of IFRS 9 Impairment (2024)

[6] IFRS 9: sections 4.1, 5.5, 5.7, 6.4 and 7.2; IFRS 7 transition disclosures

[7] Basel Committee - ECL guidance, section 20 (bank-focused interpretative guidance)

[8] Council for Advancement and Oversight of the Accounting Profession - 19 December 2025 guidance

Source note: the Gazette amendment is identified through the World Bank framework review; its original text was not directly inspected. Reference [6] is a historical EU reproduction used for core technical provisions, not evidence of North Macedonian adoption. Verify the applicable local version before implementation.