



# Chapter 9: Converting Financial Statements of Foreign Entities

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1. Exchange rates used in financial statement translation.
  - 1.1 Spot exchange rate
  - 1.2 Current exchange rate or closing rate.



## **Chapter 9: Converting Financial Statements of Foreign Entities**

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1. Exchange rates used in financial statement translation (cont.)
  - 1.3 Historical exchange rate.
2. Financial statements of foreign entities.



## **Chapter 9: Converting Financial Statements of Foreign Entities**

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3. Converting financial statements of foreign entities.
4. Exchange rate difference.
5. Converting financial statements as of the share purchase date.
6. Converting financial statements after the share purchase date.



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7. Preparing consolidated financial statements.
8. Tax impacts from exchange rate differences.
9. Disclosure of information.