

# IASCA Newsletter

January 2016 - Issue 14

**YOUR GATE TO ACCOUNTING, AUDITING AND CODE OF ETHICS**

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## Abu-Ghazaleh Chairs IASCA Meeting



**DUBAI** – HE Dr. Talal Abu-Ghazaleh chaired the annual meeting of the International Arab Society of Certified Accountants (IASCA) Board of Directors and the General Assembly.

It was decided to expand the services rendered by IASCA as it is going to establish a regional center for training on the international accounting standards in the public sector and assist in their application. It was also decided to issue a tax expert certificate.

Among the decisions was IASCA's accession to the International Valuation

Standards Council (IVSC) and to sign agreement with them to launch certified valuation expert certificate in Arabic. The Board also decided to participate in the Conference of the Sudanese Society for Accountants and Auditors which will be held in Khartoum this year.

Moreover, a Memorandum of Understanding will be signed with the Sudanese Accountancy and Audit Profession Organization Council (SAAPOC) to help Sudan join the International Federation of Accountants (IFAC).



## IASB Sets Up Procedure for Receiving Implementation Issues on the IFRS for SMEs



**LONDON** - The International Accounting Standards Board has set up a procedure whereby small companies and other interested parties can submit implementation issues on the IFRS for SMEs for consideration.

During the recent comprehensive review of the IFRS for SMEs—the Standard developed for entities that

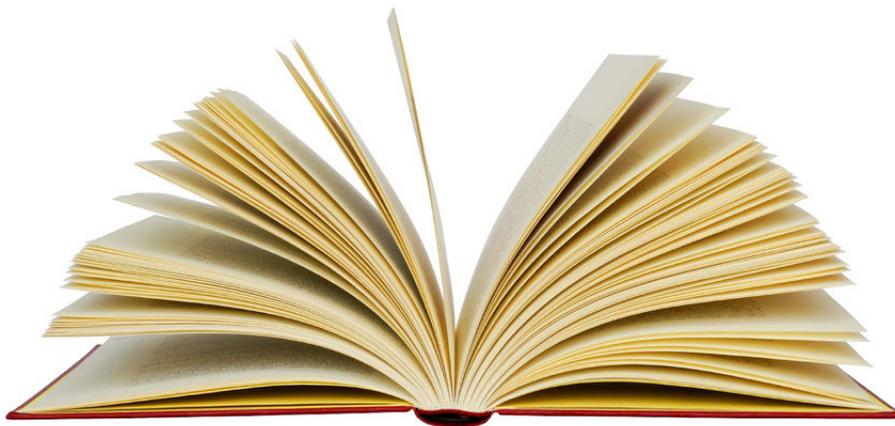
do not have public accountability and that prepare general purpose financial statements—the Board decided that a procedure should be established to allow constituents to submit implementation issues on the IFRS for SMEs. Submitted issues will be dealt with by staff in one of two ways:

Staff will refer the issue for consideration by the SME Implementation Group (SMEIG) if the issue is likely to meet the criteria in paragraph 15 of the Terms of Reference and Operating Procedures for the SMEIG (requiring that the issue is pervasive; that unintended or inconsistent implementation has or is likely to occur because of lack of clarity in the Standard; and that the SMEIG can reach a consensus on the appropriate treatment on a timely basis). For these issues the SMEIG will then consider whether to develop non-mandatory implementation guidance to address the issue in the form of questions and answers (Q&As).

Other issues will be considered by the staff when updating our education material or held for consideration during the next periodic review of the IFRS for SMEs, as applicable.

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## IASCA Finalizes Phase 3 of the Translation of the Framework-based Teaching Materials



**AMMAN** - The International Arab Society of Certified Accountants (IASCA) finalizes phase 3 of the translation of the framework-based teaching materials issued by the International Financial Reporting Standards Foundation.

This phase focused on the accounting of the framework-based liabilities. It also addressed financial tools with property rights specification and futures.

The free-to-download teaching material is designed to assist those teaching IFRS to progressively develop in their students the ability to make the estimates and judgements that are necessary to apply IFRS and the IFRS for SMEs. This is in line with the IFRS Foundation's strategic goal of supporting consistent application and implementation of IFRS Standards.

The material is tailored for students who are new to financial reporting and students close to qualifying as Chartered Accountants or Certified Public Accountants. The material includes case studies.

## FASB, IASB Ready Rollout of New Standards



**NORWALK** - Leaders of the Financial Accounting Standards Board and the International Accounting Standards Board are bracing for the release of the leasing standard and other standards that have been under development and generating debate for over a decade.

In a speech at the American Institute of CPAs' Conference on Current SEC and PCAOB Developments, in Washington, D.C., in early December, FASB Chairman Russell Golden said, "Our aim is to create a neutral playing field that enables investors, lenders and other users of financial statements to make

their own independent judgments about where to invest, based on the best possible information available. To that point, the FASB is not a government agency, accounting standards are not regulations, and the FASB does not make economic policy decisions."

FASB plans to release the leasing standard early this year, along with standards' updates from its financial instruments project, including impairment and classification and measurement. The IASB has already released its own financial instruments standards.

Golden acknowledged differences between FASB and the IASB's versions of the standards, along with disputes over the standards among others who have provided input. "You'll note that I've discussed a number of projects - impairment, leases and materiality, to name a few - about which there has been substantial disagreement among our stakeholders, and in some cases, among members of the board," he said. "It's our job to

sort through all of those conflicting opinions and to take the action that we believe will best meet the needs of investors and others who use financial reports."

IASB Chairman Hans Hoogervorst also spoke at the Conference and encouraged the US to stay involved in setting International Financial Reporting Standards, despite the different approaches taken by FASB on some convergence projects.

"In the second week of January 2016, the IASB will publish its leasing standard," he said. "Our standard is converged with the FASB's standard in its main objective, namely to put most operating leases on the balance sheet. These can no longer lurk in the shadows as off-balance-sheet financing."

Hoogervorst pointed to the wider acceptance of IFRS in countries like China, India and Japan as signs that it is spreading globally. He sees positive signs in the US as well.

## IAESB Issues Guidance on Implementing A Learning Outcomes Approach for Professional Accounting Education

**NEW YORK** - The International Accounting Education Standards Board™ (IAESB™) has produced guidance material to support the implementation of a learning outcomes approach.

IFAC member organizations who are responsible for professional accounting education and the development of professional competence through practical experience will benefit from this guidance.

Through its revised IES™, the IAESB has prescribed the learning outcomes to be achieved by professional accountants and aspiring professional accountants. The IES are also relevant to stakeholders interested in the learning and development of professional accountants and audit professionals, such as public accounting firms, regulators, and employers.

"Our objective with this guidance materials is to improve the understanding and application of the newly revised International Education



Standards™," said IAESB Chair Chris Austin. "This guidance will assist those responsible for the design, assessment, and governance of implementing a learning outcomes approach— a cornerstone in the development of professional accounting education."

Recognizing the broad global applicability of the IES, these guidance materials feature principles to support the implementation of a learning outcomes approach, detailed real-life illustrative examples, and a staff questions and answers document that provides further clarity to the IES.

## IPSASB Publishes Exposure Draft 59, Amendments to IPSAS 25, Employee Benefits

# IPSASB

International Public  
Sector Accounting  
Standards Board®

**NEW YORK** – The International Public Sector Accounting Standards Board® (IPSASB®) released for comment Exposure Draft (ED) 59, Amendments to IPSAS 25, Employee Benefits.

A key part of the IPSASB's strategy to develop high-quality public sector financial reporting standards is to maintain existing IPSASs. IPSAS 25 is based on International Accounting Standard (IAS) 19, Employee Benefits, which has subsequently been revised. The main changes that the IPSASB has proposed to IPSAS™ 25, so that convergence with IAS 19 is maintained to the extent appropriate, are:

- Remove an option that allows an entity to defer the recognition of changes in the net defined benefit liability (the "corridor approach");
- Introduce the net interest approach for defined benefit plans;
- Amend certain disclosure requirements for defined benefit plans and multi-employer plans; and
- Simplify the requirements for contributions from employees or third parties to a defined benefit plan when those contributions are applied to a simple contributory plan that is linked to service.

"The proposals in this Exposure Draft aim to ensure that financial statements provide faithfully representative and relevant information about employee benefits, particularly defined benefit plans, while maintaining convergence with IFRS," said IPSASB Chair Ian Carruthers. "These proposals address changes made to the underlying private sector standard since IPSAS 25 was originally issued. We look forward to hearing whether constituents support the changes to IPSAS 25 proposed in this Exposure Draft or have alternative views."

To enhance understanding of these proposals, a marked-up version of IPSAS 25 reflecting the changes proposed in ED 59 is made available on the IPSASB website.

### How to Comment

To access the ED, the At-a-Glance summary of the ED, and the marked-up version of IPSAS 25 or to submit a comment, please visit the IPSASB website at [www.ipsasb.org](http://www.ipsasb.org). Comments on the ED are requested by April 30, 2016. The IPSASB encourages IFAC members, associates, and regional accountancy bodies to promote the availability of this ED to their members and employees.

## IAASB Finalizes Changes for Auditor Reporting on Special Purpose Financial Statements

# IAASB

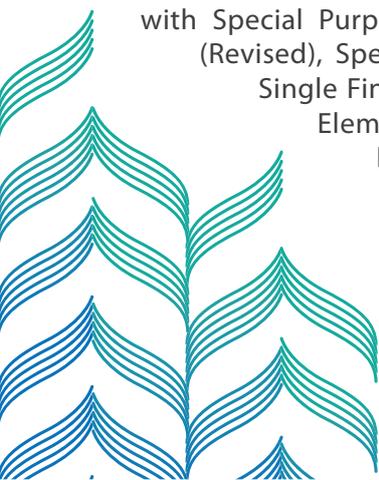
International Auditing  
and Assurance  
Standards Board™

**NEW YORK** – The International Auditing and Assurance Standards Board® (IAASB®) released ISA™ 800 (Revised), Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks, and ISA 805 (Revised), Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement.

Reporting on special purpose financial statements is linked to the IAASB's new and revised Auditor Reporting standards issued in January

2015, in particular ISA 700 (Revised), Forming an Opinion and Reporting on Financial Statements, and new ISA 701, Communicating Key Audit Matters in the Independent Auditor's Report. The amendments to ISA 800 and ISA 805 are limited to auditor reporting and are not intended to substantively change the underlying premise of these engagements in accordance with the extant ISAs.

"As a result of our more general work on auditor reporting, we found it necessary in the public interest to also make changes to ISA 800 and ISA 805," explained IAASB Chairman Prof. Arnold Schilder. "Feedback from our stakeholders has helped us finalize these proposals and provide greater clarity about how the



new auditor reporting enhancements apply in the context of special purpose financial statements.”

ISA 800 (Revised) and ISA 805 (Revised) will become effective at the same time as the auditor reporting standards addressing general purpose financial statements—for audits of financial statements for periods ending on or after December 15, 2016.

“The issuance of ISA 800 (Revised) and ISA 805 (Revised) marks another significant milestone in the IAASB’s

continued work on the topic of auditor reporting,” noted IAASB Technical Director Kathleen Healy.

“The board and its staff remain committed to promoting awareness of its new and revised Auditor Reporting standards and facilitating their effective implementation,” Ms. Healy added.

**For more information,**  
visit [www.iaasb.org/auditor-reporting](http://www.iaasb.org/auditor-reporting).

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