

# IASCA Newsletter

October 2015 - Issue 11

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

## IN THIS ISSUE

IPSASB Publishes  
Exposure Draft  
57, Impairment  
of Revalued Assets,  
and Exposure Draft  
58, Improvements to  
IPSAS 2015 **3**

Global Accountancy  
Profession  
Exceeds  
Post-Crisis  
Employment Growth **4**

IFAC Urges G-20  
Action On  
Growth: Good  
Regulation And  
Improved Public  
Sector Financial  
Management Critical **5**

IASB Completes  
Comprehensive  
Review of  
the IFRS for SMES **6**

On the occasion of the World Habitat Day at the United Nations Headquarters in  
New York

## Abu-Ghazaleh Calls for A Global Partnership for Building Smart and Sustainable Cities



**NEW YORK---** The World Habitat Day, designated by the United Nations to reflect on the state of towns and cities concluded at the United Nations headquarters in New York with the participation of HE Dr. Talal Abu-Ghazaleh, chairman of Talal Abu-Ghazaleh Organization (TAG-Org) and the Digital Technologies for Sustainable Urbanization Network (iT SUN).

Abu-Ghazaleh's participation came as a response to the invitation by the Executive Director of UN Habitat and the president of the Consortium for Sustainable Urbanization in an event attended by a large number of high UN officials, government policy makers, urban planners and architects, business

leaders and academic and civil society participants.

In his keynote speech, Dr. Abu-Ghazaleh stressed on his participation as a business leader and iT SUN co-chair who is committed to the goal of global sustainability saying: "The world today is poised to make a historic new beginning. Just a few days ago, the United Nations Summit on Sustainable Development adopted a landmark Agenda 2030: Transforming Our World. At the heart of this global and universal Agenda are the 17 Sustainable Development Goals to which all the leaders of the world have committed at the UN Summit. Goal 11 calls for making "cities and urban settlements inclusive, safe, resilient and sustainable."

Dr. Abu Ghazaleh called for a global partnership of world business leaders, government policy makers, urban planners and academic experts to promote a New Sustainable Urbanization Agenda for building smart and sustainable cities in all countries.

“In an increasingly urbanized world, where the majority of the people live in cities, it will not be possible to ensure a sustainable future for mankind without making cities and urban settlements more sustainable,” he said.

“As we remake the cities of today and build the urban centers of tomorrow we need to re-examine our priorities, policies and planning in light of a New Urban Agenda which recognizes the centrality of accessible public spaces in urban settings,” he added.

He stated: “The current paradigm of urbanization is based on wasteful use of land and other precious resources, such as energy and water, and is centered on automobile use, leading to suburban sprawl and un-planned expansion of cities. This type of urban development simply cannot be sustained for long. Apart from contributing to environmental degradation and climate change, it has exacerbated spatial inequality which often leads to social segregation, slum formation and unequal access to jobs, health and education services. Rather than fostering well-knit communities living together, it has led to greater socio-economic divisions, growing inequality, political instability and strife.”

He stressed that in this information age, digital technologies must be seen as an essential component of a modern urban infrastructure and a strategic tool for good urban planning and design.

“If we use digital technologies to build smart cities with smart land use, smart roads and buildings, smart energy grids, smart water supply and smart, less polluting vehicles, we can help bring about a shift from the current paradigm to a new more sustainable model of urban development. With its research and development capacity, its entrepreneurial spirit and its ability to make the needed investments, the private sector has a key role to play in meeting this challenge,” he said.

Abu-Ghazaleh presented his readiness and the readiness of the private sector to help create good quality public spaces for all as a central tenet of the new sustainable urbanization agenda calling on business leaders around the world to join hands with public policy-makers and urban planners,

the academic community and other stakeholders in a genuine global partnership to promote and implement a new, more integrative agenda for sustainable urbanization and help rectify the growing imbalance between private and public land use by creating public spaces for all.

“It is with this objective in mind that a new Digital Technologies for Sustainable Urbanization Network was set up in July this year under the aegis of the United Nations Economic and Social Council and UN Habitat. The Network provides a platform for collaboration among all stakeholders for harnessing the digital revolution in the service of smart and sustainable urbanization. I encourage you to join this Network and participate in its First Global Forum to be held in Barcelona on November 16 this year in the context of the Smart City Expo World Congress,” he said.

In closing, Dr. Abu-Ghazaleh tackled the decision by the US government to take a process of consultation on internet governance saying: “As founding chair of the Internet Governance Forum (IGF), and while co-chairing the UNICT Task Force, and as chair of the UN Global Alliance for ICT and Development, as well as chair of the International Chamber of Commerce Committee on internet, and also as member of the panel of advisors on the future agenda of world trade, in all of these capacities as well as many others, I have been an advocate of internet governance.”

“However, my perception of governance does not imply in any way giving away the ownership of the Internet by the USA. In the report I submitted to the WTO I called for the need to undertake a round of multi-national negotiations for an MLTA on trade on the Internet. I would like from this podium to call on the US government to start this process with the objective of developing a global governance discipline (including rules on data security, terrorism on the internet, and security of life and assets) and a dispute resolution system, without jeopardizing the US IP rights to the internet nor the US control of the technical operations and infrastructure of the internet. This would be in the internet of the U.S and the entire humanity, he concluded.

The World Habitat Day brought together eminent individuals from governments, United Nations, local authorities, private sector and academicians.

During his visit to New York, Dr. Abu-Ghazaleh also chaired a meeting of the Executive Council of the Consortium for Sustainable Urbanization which reviewed the recent activities and discussed the future work program of the Consortium.



# IPSASB Publishes Exposure Draft 57, Impairment of Revalued Assets, and Exposure Draft 58, Improvements to IPSAS 2015



**NEW YORK** – The International Public Sector Accounting Standards Board® (IPSASB®) released for comment two Exposure Drafts (EDs): ED 57, Impairment of Revalued Assets, and ED 58, Improvements to IPSASs 2015.

ED 57 proposes to bring property, plant and equipment, and intangible assets on the revaluation model within the scope of the IPSASB's two standards on impairment-IPSAS™ 21, Impairment of Non-Cash-Generating Assets, and IPSAS 26, Impairment of Cash-Generating Assets. These changes seek to provide users with relevant information on impairments to these assets. They also clarify that an impairment to one or more individual assets within a class of property, plant, and equipment does not necessitate a revaluation of the entire class to which that impaired asset belongs.

ED 58 proposes minor changes as follows:

- Consequential amendments arising from the first

four chapters of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities;

- General improvements to International Public Sector Accounting Standards™;
- Improvements to increase consistency with Government Finance Statistics reporting guidelines; and
- Improvements to maintain convergence with International Financial Reporting Standards.

This is the first IPSASB Improvements project to consider broader improvements, rather than focusing solely on those to maintain convergence with IFRS.

"Although the changes proposed in these Exposure Drafts are minor, they address concerns directly raised by our stakeholders," said IPSASB Chair Andreas Bergmann. "As an increasing number of jurisdictions adopt IPSAS, it is important that we respond to the issues they identify. We look forward to receiving constituents' views on these proposals."

---

## Training Financial Departments at Ministries and Leading Departments on IPSAS Implementation



**DEAD SEA, Jordan** –The International Arab Society for Certified Accountants (IASCA), as an expert in the field of International Public Sector Accounting Standards, participated in the first workshop to implement the roadmap according to plan 10/80.

The participants of the workshop comprised CFOs from leading ministries and departments, to introduce them to the importance of the system, and to speak about accounts' privacy in their departments, in order to accommodate it in the computerized financial system, in addition to coordinating with them to train their accountants on how to deal with accounts in conformity with the International Public Sector Accounting Standards.



# Global Accountancy Profession Exceeds Post-Crisis Employment Growth



## International Federation of Accountants

**NEW YORK** – A report released by the International Federation of Accountants® (IFAC®), the global organization for the accountancy profession, reveals that growth in membership of professional accountancy organizations (PAOs) far exceeded total employment growth across almost all global regions and economies for the period 2009-2013.

Fayez Choudhury, IFAC Chief Executive Officer, said, "This study reinforces the importance of the global accountancy profession in good times and bad. In challenging environments, expert and trusted professional accountants help make sense of rapidly changing regulation and provide strategic advice that strengthens organizations and advances economies."

### **Nexus 1: The Accountancy Profession, Behind the Numbers,**

a study conducted for IFAC by the independent Centre for Economics and Business Research (Cebr), analyzes data from IFAC's more than 175 members and associates in 130 countries and jurisdictions. The findings show that, following the global financial crisis, the number of professional accountants IFAC represents through its members grew:-

- 20% in advanced economies,

despite low total employment growth of 2.6%;

- 15% in BRIC (Brazil, Russia, India, China) countries, despite low total employment growth of 2.9%; and
- 18% and 11%, respectively, in MINT (Mexico, Indonesia, Nigeria, Turkey) countries and emerging markets, while their economies enjoyed total employment growth, respectively, of approximately 10% and 5%.

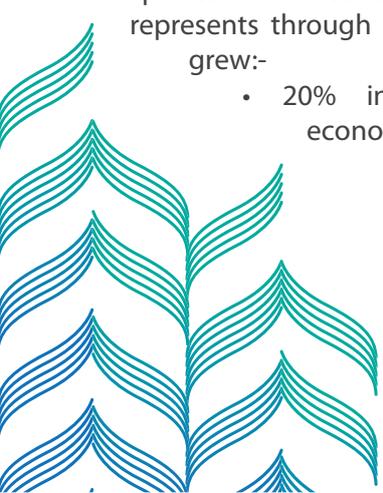
"From emerging to advanced economies, the report indicates the importance of the strong, vibrant profession IFAC's members support. It tells motivated young people considering career choices that accountants are required in all economic conditions; that rapid growth in emerging economies means there is need for more and better trained accountants; and that strong PAOs and professional accountants are intrinsic to the success of advancing economies," Mr. Choudhury said. "In addition, the role of accountants is not one-dimensional: more than half of the professional accountants IFAC represents through our members work in business and industry, the public sector, and academia, and some 45% work in public practice."

In another key finding, the study estimates for the first time

how many people are working in accountancy-related fields worldwide. The number of people identified as working in the field of accountancy or supporting its function is approximately three times the size of IFAC PAOs' membership.

### **About Cebr:**

Centre for Economics and Business Research Ltd (Cebr) is an independent consultancy with a reputation for sound business advice based on thorough and insightful research. Since 1992, Cebr has been at the forefront of business and public interest research, providing analysis, forecasts and strategic advice to major UK and multinational companies, financial institutions, government departments and agencies, trade bodies and the European Commission.



# The IFRS Interpretations Committee Proposes Two New Interpretations



LONDON - The IFRS Interpretations Committee ('Interpretations Committee') published for public comment two proposed Interpretations of Standards, designed to address diversity in how the Standards are applied in practice. One gives guidance on how uncertainty over income tax treatments should affect the accounting for income taxes and the other addresses which exchange rate should be used to report foreign currency transactions when payment is made or received in advance.

Interpretations form part of the authoritative International Financial Reporting Standards (IFRS) requirements. They are developed

by the Interpretations Committee, which works with the International Accounting Standards Board (IASB) to provide guidance on specific implementation issues, helping those using IFRS and supporting consistency in application.

Uncertainty over income tax treatments

IAS 12 Income Taxes provides requirements on the recognition and measurement of current or deferred tax liabilities or assets, but does not provide specific guidance for how uncertainty about a tax treatment should be reflected in the accounting for income tax. Consequently, the Interpretations Committee proposes

an Interpretation to provide that guidance.

Foreign currency transactions and advance consideration

IAS 21 The Effects of Changes in Foreign Exchange Rates sets out requirements about which exchange rate to use when recording a foreign currency transaction on initial recognition in the entity's functional currency. However, the Interpretations Committee observed diversity in practice in circumstances in which consideration was received or paid in advance of the recognition of the related asset, expense or income. Consequently, the Interpretations Committee proposes an Interpretation to provide guidance in these specific circumstances.

Both proposed Interpretations are open for public comment until 19 January 2016.

## IFAC Urges G-20 Action on Growth: Good Regulation and Improved Public Sector Financial Management Critical



NEW YORK - The International Federation of Accountants® (IFAC®) has submitted 12 recommendations for endorsement by the Group of Twenty (G-20), urging action on issues impacting the G-20 priorities of robust, inclusive growth.

"Quite a bit has been achieved through the G-20's leadership under the substantial pressures of the global financial crisis—but now is no time for complacency," said FayeZul Choudhury, IFAC's Chief Executive Officer.

IFAC's 12 recommendations focus on:

- **Good governance and regaining trust** in key public and private sector structures, frameworks, and organizational and regulatory arrangements;
- **Globally consistent, good regulation**, that enables, promotes, and does not hamper growth and good governance;
- **Resolving poor financial management, transparency, and accountability** that persists in many G-20 countries and beyond; and
- **A transparent, fair, and effectual international taxation system**, and the need for collaboration and inclusiveness in implementing reforms.

"We're at a crucial juncture—growth continues to wane or completely elude economies around the world despite massive, unsustainable monetary stimulus since the global financial crisis. A complex, fragmented regulatory environment is emerging, and there is no clear sight of how this is impacting growth," said Mr. Choudhury.

Approximately two-thirds of respondents to IFAC's 2015

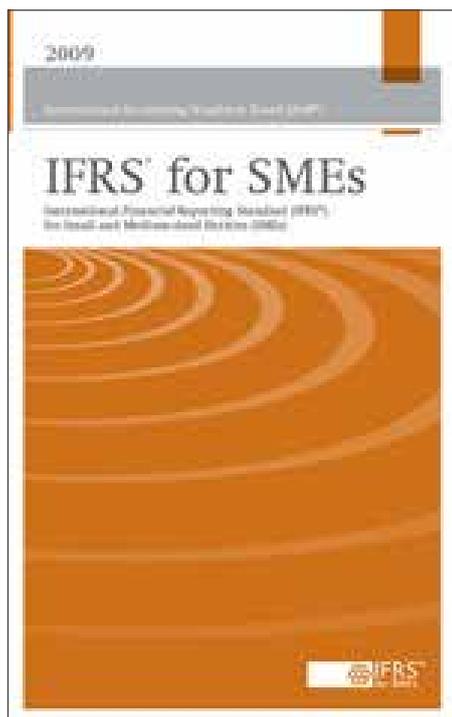
Global Regulatory Survey, a study of accounting, finance, and business professionals worldwide, said regulation is having a significant or very significant impact on their organizations' opportunities to grow and innovate.

In addition to an urgent assessment of the evolving regulatory environment, IFAC's recommendations include that the G-20 promote development and adoption of clear principles for high quality regulation, and that it issues a clear call for the adoption and implementation of international accounting and auditing standards.

"The public's trust and confidence in government is at the heart of achieving robust, inclusive growth. Poor public sector financial management, accountability, and transparency remain significant problems in many countries—resolving this is long overdue," said Mr. Choudhury.

IFAC recommends that the G-20 commission urgent and fundamental work toward changes needed in the public sector to protect the public and investors in government bonds, promote greater transparency and accountability, and actively encourage and facilitate accrual-based accounting by governments and public sector institutions

## IASB Completes Comprehensive Review of the IFRS for SMEs



in response to international demand for the IASB to develop global standards for small and medium-sized entities (SMEs). The simplified, self-contained Standard was issued in 2009, and has since been widely adopted.

Of the 140 countries surveyed as part of the IFRS Foundation's project to assess adoption of International Financial Reporting Standards (IFRS) and the IFRS for SMEs globally, 72 jurisdictions have confirmed that they permit or require the IFRS for SMEs and an additional 14 are currently considering adoption. The Standard is also available in more than 25 languages.

- aligning the main recognition and measurement requirements for deferred income tax with IFRS.

The majority of the amendments clarify existing requirements or add supporting guidance, rather than change the underlying requirements in the IFRS for SMEs. Consequently, for most SMEs and users of their financial statements, the amendments are expected to improve understanding of the existing requirements, without having a significant effect on an SMEs' financial reporting practices and financial statements.

Commenting on the amendments to the Standard, Hans Hoogervorst, Chairman of the IASB, said:

"The IFRS for SMEs has been a remarkable success and is now used by millions of companies worldwide. The amendments are expected to improve the Standard for companies and users of their financial statements. As a result we expect the adoption to spread further, improving reporting and consistency among companies without public accountability around the world."

**London-** The International Accounting Standards Board (IASB) issued limited amendments to the IFRS for SMEs following a comprehensive review. The Standard, which was specifically developed for small and medium-sized entities, has seen remarkable uptake, with millions of companies using it worldwide.

The IASB started the initial comprehensive review of the IFRS for SMEs in 2012, with the aim of considering implementation experience and assessing whether there was a need to make any amendments to the Standard. After consulting widely with constituents, the IASB concluded that the IFRS for SMEs required little change. However, some areas were identified where targeted improvements could be made.

The most significant changes, which relate to transactions commonly encountered by SMEs, are:

- permitting SMEs to revalue property, plant and equipment; and

Entities reporting using the IFRS for SMEs are required to apply the amendments for annual periods beginning on or after 1 January 2017. Earlier application is permitted provided all amendments are applied at the same time.



The International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) was developed

## **FOR MORE INFORMATION**

Tel: (0962-6) 5100900

Fax: (0962-6) 5100901

Or you may reach us electronically through our website:  
[ascasociety.org](http://ascasociety.org)

And our emails:

[asca.jordan@iascasociety.org](mailto:asca.jordan@iascasociety.org)

[salouri@iascasociety.org](mailto:salouri@iascasociety.org)

[www.facebook.com/ASCAsociety](http://www.facebook.com/ASCAsociety)

This Newsletter is Published by  
the International Arab Society of Certified Accountants (IASCA)

© IASCA 2015

Reproduction is permitted provided  
that the source is acknowledged.

