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### Abu-Ghazaleh: The UN Must Form Specialized AI Committees to Resolve the Climate Change Dilemma

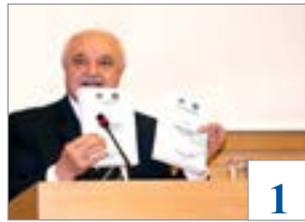
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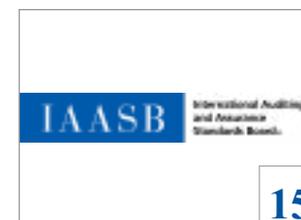
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## *During the Annual Meeting of ASCA Jordan Abu-Ghazaleh: The UN Must Form Specialized AI Committees to Resolve the Climate Change Dilemma*



AMMAN – HE Dr. Talal Abu-Ghazaleh, chairman and founder of Talal Abu-Ghazaleh Global (TAG.Global), emphasized that climate change issues can only be resolved if the UN decides to form committees and working groups of experts in Artificial Intelligence (AI) to find the optimal solutions, as well as, to apply them all over the world.

“The issue of climate change is the most important global issue at present, especially the toxic emissions and their impact on the future of humanity,” Dr. Abu-Ghazaleh said, while presiding over the annual general assembly of ASCA / a member of TAG.Global, in his capacity as president of ASCA.

The 31st ordinary meeting of the ASCA was held at the Talal Abu-Ghazaleh Knowledge Forum, in the presence of ASCA’s general and administrative bodies, and several other private entities’ representatives.

Dr. Abu-Ghazaleh referred to the year 1999 when he was assigned by the Secretary-General of the United Nations, to chair a committee for the formulation of “environmental accountability standards”, meaning: standards that determine the responsibility and the cost the firms that cause harm to the environment should bear. He indicated that an international working group of accountancy experts was formed to establish those standards.

Dr. Abu-Ghazaleh describes the serious risks and the catastrophic consequences that humanity will face as a result of climate change, indicating that the countries that produce environmental pollution will be the ones who will be most affected by this disaster.

He further presented some aspects of climate change, including floods and rising sea levels

that began to wipe out large areas of land, in addition to melting snow in the Arctic, and the forest fires, indicating that these manifestations are the effects of environmental pollution, which led to this change.

On the other hand, Dr. Abu-Ghazaleh commended the efforts of the ASCA’s administrative board members, especially the founders, who for 36 years have been supporting the development of its business and activities. Thus, maintaining it as the only association in the region engaged in building capacity and qualifications, an educational and training institution in the field of accounting since 1984.

For his part, the Executive Director of the ASCA, Mr. Salem Al-Ouri, presented the report of the Administrative Authority’s work for the year ending on December 31, 2020, and its future plans. The report explains the privileges obtained by ASCA’s members, and the most important professional publications that have been translated, printed, and published, which include the monthly professional magazine, in addition to ASCA’s support to the IFAC in translating and developing online webinars and lectures about the international standards of quality management, including explanations and examples at the end of each lecture and webinar.

It is worth noting that ASCA always seeks to develop the accounting and management as well as the relevant disciplines and principles that apply to all or some professional services. ASCA also seeks to develop the level of competence, practice, and behavior to attain the highest professional levels through its interest in accounting publications, and by following all the new and modern trends in accounting and auditing.



## Abu-Ghazaleh: IASCA has Helped the Arab Professional Accounting Associations Join IFAC

- AMMAN – The International Arab Society of Certified Accountants (IASCA), in its capacity as one of the International Federation of Accountants (IFAC) members, participated in the annual online meetings of the IFAC; represented by Mr. Jamal Milhem, IASCA's board member, and Mr. Salem Al- Ouri, IASCA's executive director.
- The meeting is held annually with the participation of the associations, syndicates, and professional institutions that are members of IFAC to follow up and discuss the professional developments of the auditing profession globally.
- During the meeting, the election of IFAC's board of directors was approved, and the new members joined the General Assembly. The financial and administrative reports and the general strategy of the IFAC for the coming years, focusing on several financial sustainability reports and the harmonization of professional standards for technological development, were also presented and approved.
- The attendees also discussed the developments and work plans of the International Accounting Standards Board, the International Auditing and Assurance Standards Board, the International Ethics Standards Board of Accountants, and the International Public Sector Accounting Standards Board, in addition to various professional issues to develop the profession worldwide and to contribute to achieving the sustainable development goals.
- Mr. Milhem indicated that IASCA maintained its membership in IFAC since 1985 and that IASCA, chaired by HE Dr. Talal Abu-Ghazaleh, worked to strengthen the profession in the Arab world and help Arab countries join the Union, the latest of which was the Yemeni Association of Auditors,



and the UAE Auditors Association, and it is expected the Omani Association and the Qatari Association will join next year.

- IFAC is the sound of the accounting and auditing profession in the world, and it consists of more than 180 members and professional organizations from 130 countries, representing more than 3 million auditors around the world.
- IFAC aims to develop the global economy through the establishment of high-level professional standards, where, through specialized boards, it issues international accounting standards in the public sector, international auditing standards, and it offers other assurance services, standards for controlling the quality of performance, and the code of ethical conduct for professional accountants.
- IASCA implements many qualification programs for accountants in various sectors, and it organizes professional examinations in accounting in the Arab world. It also translates various international standards issued by IFAC into Arabic to provide them to professionals, scholars, and researchers in the Arab region to enhance knowledge and keep pace with global professional development.

## Abu-Ghazaleh: Searching for a Strategy to Engage the MENA Region in the International Profession of Accountancy

RAMALLAH - Mr. Jamal Milhem, IASCA's board member and representative in Palestine, participated in the periodic meeting of the Professional Accountancy Organization Development & Advisory Group (PAODAG) of the International Federation of Accountants (IFAC), in his capacity as a member of the PAODAG, and the head of the working group for the



development of professional institutions in the Middle East and North Africa in the IFAC.

The meeting was held online on the 13th and 14th of last October, where the participants have addressed many professional issues that aim at developing professional institutions globally.

Mr. Milhem introduced a working paper about “The Importance of the Support Provided by the IFAC to the Professional Institutions in the Middle East”. The paper was co-authored by Ms. Dana Jensen, the manager of quality & development at the IFAC for the MENA region, and Ms. Mahala Groves, the head of capacity building at the Association of Chartered Certified Accountants (ACCA).

The achievements of the previous plan and the vision for work in the MENA region, adopted by the IFAC and presented in 2018, were reviewed at the meeting which was attended by all members of the International Working Group, as well as officials of the IFAC related to professional development.

The role PAODAG plays in supporting the professional accounting organizations, as part of IFAC’s capacity-building efforts and the provision of assistance and direction to develop professional accounting was emphasized. Therefore, PAODAG is exerting the utmost efforts to enhance and fulfill the membership obligations of IFAC along with the best international practices.

During the meeting, a number of success stories in the MENA region were introduced. The success is the fruit of the ongoing commitment and the teamwork of the consultation group during the last four years, where the focus was directed to the following three main areas: The participation of non-members and members, the development of capacity, and the application of group competence.

The participants expressed their sincere thanks to HE Dr. Talal Abu-Ghazaleh, for the great efforts he exerted in providing the necessary capabilities and directives aimed at increasing the effectiveness of professional institutions, as well as for the professional role IASCA plays in the Arab region.

Mr. Milhem noted that the results of the previous years’ work with professional institutions resulted in the approval of the membership of the UAE Accountants and Auditors Association (UAE AAA), and the membership of the Yemeni Association of Certified Public Accountants (YACPA) in IFAC. Work is underway on the membership

profiles of several other associations in the Arab countries, as it is expected that the approvals and procedures for membership of the Omani Auditors Association and the Qatar Association of Auditors in the IFAC will be finalized before the annual meetings of the IFAC that will be held in November 2022.

During the meeting, the contributions of Mr. Nader Nasser Hammoud, board member of the YACPA, Mr. Hatem Al Qawasmi, President of the Federation of Arab Accountants and Auditors (AFFA), Dr. Farid Fawaz, Vice President of AFFA, Professor Bilal Fares, Executive Director of the Palestinian Association of Certified Public Accountants PACPA, and Mr. Salem Al-Auri, Executive Director of IASCA, were all reviewed. The attendees’ expertise and experience in cooperation with the IFAC, along with their commitment to meet the requirements of the statement of membership obligations (SMO) in IFAC, and the positive impact of adherence to these obligations, were also demonstrated in the meeting.

Dr. Abu-Ghazaleh emphasized IASCA’s commitment to the IFAC SMO. He noted that IASCA is constantly working to enhance the profession and to provide the Arab accountants and the members of IASCA with the latest amendments and changes in the profession at the international level.

Mr. Milhem addressed the role IASCA plays in developing and enhancing the accountancy profession in the Arab region, highlighting the developments in the Palestinian Auditors Association, as a successful role model. IASCA has finalized the requirements of the work plan and applied for the supervision program on the quality of the members to adhere to the professional standards and enhance the confidence of the users of financial statements.

It is worth mentioning that IFAC is an international organization for the accountancy profession that aims at serving the public interest, enhancing the profession, contributing to the development of strong economies. IFAC consists of 180 members and associates in more than 130 countries and jurisdictions, representing about 3 million accountants in public practice, education, government services, industry, and commerce.

IASCA was established in 1984, in London - UK, as a non-profit professional, accounting body. IASCA, officially registered in Amman on February 24, 1994, aims to advance accounting, auditing, and other related disciplines in the Arab countries, members of the Arab League, in addition to preserving the professional independence, protecting accountants, and applying the standards of professional supervision over them.



## Abu-Ghazaleh: IACMA Exam Center in China was Accredited by IASCA

AMMAN – HE Dr. Talal Abu Ghazaleh, chairman of the International Arab Society of Certified Accountants (IASCA), announced that IASCA will start holding exams for the International Arab Certified Management Accountant (IACMA) certificate for the first time in the city of Shanghai – China.

Dr. Abu-Ghazaleh noted that IASCA decided to add the Shanghai - China Center to the currently accredited centers to hold the exams all around the world because of the increasing interest of the Arab community in China in the professional certificates issued by IASCA.

IACMA attracts a huge segment of professionals in the administrative field, as it aims at qualifying and preparing the participants for the highest levels of managerial accounting to enable them to analyze financial statements in accordance with financial and risk management standards, and to enrich their knowledge in several other areas related to management, financial accounting, cost accounting, economics, and financing.



IACMA also targets accountants, financial managers responsible for the preparation of financial reports, specialized business auditors, professionals in the banking and investment sectors, and financial officers in the government sector. That is in addition to financial managers who need a certificate to prove their experience and to support them in carrying out the managerial tasks in a correct manner based on a practical advanced approach.

It is worth noting that IASCA holds the IACMA e-exams in about 40 centers in the Arab countries.

## Completion of the Digital Qualifying Training Course “Live Interactive Broadcast” for IACPA

AMMAN - The Arab Society of Professional Accountants (ASCA Jordan), completed the qualifying training course for the International Arab Certified Public Accountant (IACPA) certificate, which was organized by ASCA for a group of employees in various sectors.

During the course, the subjects and curriculum for the IACPA were discussed including the following topics:

1. Economics and Finance (Introduction to Economics, Product Behavior and Market Structures, Macroeconomics...etc.)
2. Accounting (Presentation of Financial Statements, Income Items, Statements of Cash Flows, Leases, Equity Rights...etc.)
3. Auditing (Risk Assessment and Response, Design and Implementation of Audit Programs, Evaluation of Audit Evidence, Provision of Review Services...etc.)
4. Legislations (Taxes, Business and Commercial Law, Corporate Governance...etc.)



The curriculum of the IACPA was developed in line with the international certified qualification curriculum in accounting and auditing. The curriculum was also designed to fulfill the requirements of the labor market according to the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS).

It is worth noting that the participants in the digital training courses provided by ASCA can attend the lectures whenever they prefer through the recordings allowed by the system of the digital courses. Participants can also obtain electronic certificates of attendance and ask questions that will be answered by the best experts in the Arab World to attain the required results.

## IACMA Examination Results of October 2021 Announced

### 46 % Success Rate

AMMAN - The International Arab Society of Certified Accountants (IASCA) announced the examination results of the International Arab Certified Management Accountant (IACMA) certificate for the October 2021 session.

A number of participants sat for the IACMA exams from around the Arab world, 46% out of them successfully passed the exams.

It is worth mentioning that IASCA conducts the IACMA examinations twice a year since 2015, where the sessions are held in April and October.



**IASCA congratulates the participants who passed the exams and wishes success in the next cycle to those who did not.**

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## The Best Study Materials for Professional Certificates

*By: Ala' Abdel Aziz Abu Naba'a*

*Governance and Internal Auditing Expert*

Universities' and academic qualifications have become detached from reality, (specifically in the Arab World), such qualifications do not provide the needed practical experience. Therefore, there is an increasing and continuous need for obtaining international professional certificates. The educational programs focus on theoretical and academic aspects, however, the reality and knowledge change rapidly forcing professionals to keep pace with that dynamic landscape that continuously changes due to fierce competition, the increase in the numbers of graduates, and the decrease in the available opportunities in the labor market. Obtaining an international professional certificate enhances self-confidence and aligns those who hold it with experts and professionals, given that these certificates fuel the skills and personal traits, and ultimately enable the certified individuals of working in the fields they prefer.

During my career as a trainer for many international professional certificates' courses in accounting and auditing: both internal and external, on top of which the Certified Management Accountant (CMA), the Certified Internal Auditor (CIA), the Certified Public Accountant (CPA), the trainees and colleagues have asked me the



following question: What is the best study materials for studying?

Unfortunately, most of the comparisons that I read or hear about on the internet are subjective and built on personal experiences in studying only one or at most two study materials.

Out of my experience in teaching more than one study materials for the same professional certificate, I found that each of them has its pros and cons regarding how the contents are presented.

Generally, the study materials that are available in the market are of two types. The type may be

detected from the title written on the cover page:

1. Preparatory Course: provides an elaborated explanation for the contents. Preparatory courses are built on the assumption that the certification candidate has no prior knowledge of the subject matter; it is suitable for certification candidates with little academic or practical experience, or for those who studied and worked in other fields.
2. Review Course: provides a useful brief explanation of the different contents. Review courses are built on the assumption that the certification candidate has prior knowledge of the subject matter, it is suitable for certification candidates who possess an average, or above average, academic or practical experience, or for those who studied and worked in similar fields. Of course, the brief explanation will not fit all sizes, and some will believe that it fails to deliver the subject properly.

In my opinion, selecting the right study materials depends on the following:

1. Recentness of the study materials, given that the study materials and subjects on which the exams' questions focus are dynamic.
2. The amount of questions appended to the study materials and their relevance to the contents.
3. The depth and diversity of the questions along with the explanations of the model answers and

the accuracy of providing reasons for rejecting other unsuitable choices in Multiple-Choice Questions (MCQs).

4. How do the questions address all the certification contents that could be included in the exam.
5. The level of interactive services and technical solutions provided by the study materials developers. Some developers support their study materials with audios/videos, others monitor and provide support to answer the questions, while others administer the questions through interactive training applications that support using cloud solutions and smartphones.

In my opinion, the most essential factor, in order to pass the exams of any professional certificate, is addressing as many questions as possible, regardless of their source, since there is an enormous amount of important information contained in the explanations of the answers to questions. Regarding MCQs, it is necessary to comprehend the reasons behind the answer, why is this particular choice "correct" and why the other choices are "not correct" because each choice (normally four choices) represent a topic or a part of a topic in the subjects of the course. Solving as many questions as you can help you a lot in remembering and affirming the various subjects required for an exam, and will also help you distinguish the nuances among similar subjects, just as the saying goes: if you want to remember, remember to repeat.



## Business Combinations under Common Control—Filling a Gap in IFRS Standards

LONDON - In this article published in the Australian Accounting Review, International Accounting Standards Board (IASB) Member Ann Tarca explains the Board's preliminary views for accounting for business combinations under common control, an issue not currently addressed in IFRS Standards. Such combinations are widespread and the accounting for them is diverse. The Board's preliminary views aim to reduce diversity in practice and to improve the information provided to investors so they can understand the effects of these transactions and compare companies that undertake them.

The Australian Accounting Review also features two additional articles relating to business combinations under a common control (BCUCC):

- Business Combinations under Common Control: A Controlling Entity Cost Approach discusses the controlling entity's perspective in a BCUCC and suggests some issues for the Board to consider in its redeliberations of its preliminary views. This



paper explains the use of a book-value approach in practice—specifically by listed companies and pre-listing IPO candidates in Hong Kong—the relevance of the controlling entity perspective and the importance of pre-combination information to users of the financial statements.

- Business Combinations under Common Control: Further Considerations discusses the choice of the controlling party or transferred business book values, the principles and objectives of the Discussion Paper and the relationship with related party disclosures.

All three articles are free to access until December 2021.

Source: [www.ifrs.org](http://www.ifrs.org)

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## IFAC Pledges Ongoing Support for New International Sustainability Standards Board

*Global Standards to Be Set for investor-focused Sustainability Disclosure*

NEW YORK- The International Federation of Accountants (IFAC), which comprises 180 member and associate organizations and represents over 3 million professional accountants globally, welcomes the establishment of the International Sustainability Standards Board (ISSB) working in close cooperation with the International Accounting Standards Board (IASB), under the governance structure and leadership of the IFRS Foundation.

IFAC congratulates the IFRS Foundation Trustees for moving with unprecedented speed to meet the needs of investors, provide a holistic view of enterprise value, and address the climate crisis. Climate and other sustainability issues are global in nature and the ISSB will deliver a global solution for sustainability disclosure. The multi-jurisdictional footprint of the ISSB reflects this reality and can hopefully facilitate the implementation of the ISSB's standards.

IFAC also welcomes commitments to combine the CDSB and Value Reporting



Foundation with the IFRS Foundation—providing much-needed consolidation and contributing support and resources toward the success of the new ISSB. This positions the ISSB to build upon the high-quality work of existing sustainability-related initiatives and harmonize the standard-setting landscape—delivering a comprehensive global baseline of sustainability information material to enterprise value, connected to financial reporting through the fundamental concepts and guiding principles of integrated reporting.

“Now is the time for policymakers around the world to focus on how to capitalize on the forthcoming work of the ISSB,” said IFAC CEO Kevin Dancey. “As with the success of IFRS Standards for financial reporting, IOSCO's support is key. Jurisdictions around the world need to take the next step—deciding to use, implement, and enforce IFRS Sustainability

Disclosure Standards as part of a Building Blocks Approach that will deliver the global baseline for sustainability-related reporting needed for investors and capital markets.”

This approach enables global standards set by the ISSB—compatible with any multistakeholder-

focused disclosures that some jurisdictions may require—to result in consistent, comparable, and assurable sustainability-related information that enhances corporate reporting.

Source: [www.ifac.org](http://www.ifac.org)

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## IPSASB Issues Guidance on the Capitalization of Borrowing Costs

NEW YORK - The International Public Sector Accounting Standards Board® (IPSASB®) issued Amendments to IPSAS 5, Borrowing Costs – Non-Authoritative Guidance.

The new pronouncement adds implementation guidance and illustrative examples to IPSAS 5. The new material illustrates how the existing principles for when borrowing costs can be capitalized should be applied in various regularly encountered public sector contexts. No amendments are proposed to the authoritative material in IPSAS 5, and the existing option to expense or capitalize borrowing costs is retained.

“We undertook this project to illustrate how to apply existing principles in IPSAS 5 to scenarios that are unique to the public sector,” said **IPSASB Chair Ian Carruthers**. “This new guidance should



support our constituents in applying the existing standard to the practical challenges they have identified in determining which borrowing costs can be capitalized and when.”

This illustrative guidance addresses public sector-specific issues by focusing on transactions associated with capitalizing borrowing costs when funds are borrowed by a related entity or centralized lending program. The additional guidance facilitates the preparation of financial reporting information that is relevant, faithfully representative, and comparable for these important public sector transactions.

Source: [www.ifac.org](http://www.ifac.org)



## IFRIC Update September 2021

LONDON - IFRIC Update is a summary of the decisions reached by the IFRS Interpretations Committee (Committee) in its public meetings. Committee's tentative agenda decisions

- Demand Deposits with Restrictions on Use (IAS 7 Statement of Cash Flows)—Agenda Paper 5
- Cash Received via Electronic Transfer as Settlement for a Financial Asset (IFRS 9 Financial Instruments)—Agenda Paper 6

Agenda decisions for the Board's consideration

- Non-refundable Value Added Tax on Lease Payments (IFRS 16 Leases)—Agenda Paper 2
- Accounting for Warrants that are Classified as Financial Liabilities on Initial Recognition (IAS 32 Financial Instruments: Presentation)—Agenda Paper 3

Other matters

- Lease Liability in a Sale and Leaseback—Agenda Paper 4
- Work in Progress—Agenda Paper 7

Addendum to IFRIC Update—Committee's agenda decisions

- Non-refundable Value Added Tax on Lease Payments (IFRS 16 Leases)—Agenda Paper 2
- Accounting for Warrants that are Classified as Financial Liabilities on Initial Recognition (IAS 32 Financial Instruments: Presentation)—Agenda Paper 3

Committee's tentative agenda decisions

The Committee discussed the following matters and tentatively decided not to add standard-setting projects to the work plan. The Committee will reconsider these tentative decisions, including the reasons for not adding standard-setting projects, at a future meeting.

### **Demand Deposits with Restrictions on Use (IAS 7 Statement of Cash Flows)—Agenda Paper 5**

The Committee received a request about whether

an entity includes a demand deposit as a component of cash and cash equivalents in its statements of cash flows and financial position when the demand deposit is subject to contractual restrictions on use agreed with a third party. In the fact pattern described in the request, the entity:



- a. Holds a demand deposit whose terms and conditions do not prevent the entity from accessing the amounts held in it (that is, were the entity to request any amount from the deposit, it would receive that amount on demand).
- b. Has a contractual obligation with a third party to keep a specified amount of cash in that separate demand deposit and to use the cash only for specified purposes. If the entity were to use the amounts held in the demand deposit for purposes other than those agreed with the third party, the entity would be in breach of its contractual obligation.

### **Cash and Cash Equivalents in the Statement of Cash Flows**

Paragraph 6 of IAS 7 defines 'cash' by stating that it 'comprises cash on hand and demand deposits.' IAS 7 includes no other requirements on whether an item qualifies as cash beyond the definition itself.

IAS 7 and IAS 1 Presentation of Financial Statements indicate that amounts included in cash and cash equivalents may be subject to restrictions. Namely:

- a. Paragraph 48 of IAS 7 requires an entity to disclose information about 'significant cash and cash equivalent balances held by the entity that are not available for use by the group'; and
- b. Paragraph 66(d) of IAS 1 requires an entity to classify as current an asset that is 'cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period'.



The Committee concluded that restrictions on the use of a demand deposit arising from a contract with a third party do not result in the deposit any longer being cash unless those restrictions change the nature of the deposit in a way that it would no longer meet the definition of cash in IAS 7.

In the fact pattern described in the request, the contractual restrictions on the use of the amounts held in the demand deposit do not change the nature of the deposit—the entity can access those amounts on demand. The Committee, therefore, concluded that the entity includes the demand deposit as a component of ‘cash and cash equivalents in its statement of cash flows.

### **Presentation in the Statement of Financial Position**

Paragraph 54(i) of IAS 1 requires an entity to include a line item in its statement of financial position that presents the amount of ‘cash and cash equivalents. Paragraph 55 of IAS 1 states ‘an entity shall present additional line items (including by disaggregating the line items listed in paragraph 54) ... in the statement of financial position when such presentation is relevant to an understanding of the entity’s financial position’.

The Committee, therefore, concluded that, in the fact pattern described in the request, the entity presents the demand deposit as cash and cash equivalents in its statement of financial position. When relevant to an understanding of its financial position, the entity would disaggregate the cash and cash equivalents line item and present the demand deposit subject to contractual restrictions on use separately in an additional line item.

An entity that presents assets as current or non-current would be applying paragraph 66(d) of IAS 1, classify the demand deposit as current unless the deposit is ‘restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period’.

### **Disclosures**

Paragraph 45 of IAS 7 states that ‘an entity shall disclose the components of cash and cash equivalents...’, and paragraph 48 of IAS 7 requires an entity to disclose, together

with commentary by management, ‘the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the group’. Applying those requirements, the entity discloses the demand deposit subject to contractual restrictions on use as a component of cash and cash equivalents and the amount of significant cash and cash equivalent balances unavailable for use by the group, as well as information about that amount. The entity also considers whether to disclose additional information:

1. In the context of the requirements in IFRS 7 Financial Instruments: Disclosures about liquidity risk arising from financial instruments and how an entity manages that risk; and
2. If the information it provides applying the disclosure requirements in IAS 7 and IFRS 7 is insufficient to enable users of financial statements to understand the impact of the restrictions on the entity’s financial position (paragraph 31 of IAS 1).

The Committee concluded that the principles and requirements in IFRS Standards provide an adequate basis for an entity to determine whether to include demand deposits subject to contractual restrictions on use agreed with a third party as a component of cash and cash equivalents in its statements of cash flows and financial position. Consequently, the Committee [decided] not to add a standard-setting project to the work plan.

### **Cash Received via Electronic Transfer as Settlement for a Financial Asset (IFRS 9 Financial Instruments)—Agenda Paper 6**

The Committee received a request about the recognition of the cash received via an electronic transfer system as settlement for a financial asset. In the fact pattern described in the request:

1. The electronic transfer system has an automated settlement process that takes three working days to settle a cash transfer. All cash transfers made via the system are therefore settled (deposited in the recipient’s bank account) two working days after they are initiated by the payer.
2. An entity has a trade receivable with a customer. At the entity’s reporting date, the customer has initiated a cash transfer via the electronic transfer system to settle the trade receivable. The entity receives the cash in its bank account two days after its reporting date.



The request asked whether the entity can derecognize the trade receivable and recognize cash on the date the cash transfer is initiated (its reporting date), rather than on the date the cash transfer is settled (after its reporting date).

### **The Applicable Requirements in IFRS 9**

The fact pattern described in the request involves the receipt of cash as settlement for a trade receivable. Both the trade receivable, and the cash the entity receives, are financial assets within the scope of IFRS 9. The entity, therefore, applies paragraph 3.2.3 of IFRS 9 in determining the date on which to derecognize the trade receivable and paragraph 3.1.1 of IFRS 9 in determining the date on which to recognize the cash as a financial asset.

The Committee observed that, in the fact pattern described in the request, the entity is neither purchasing nor selling a financial asset. Therefore, paragraph 3.1.2 of IFRS 9—which specifies requirements for a regular way purchase or sale of a financial asset—is not applicable.

### ***Derecognition of the Trade Receivable***

Except when an entity transfers a financial asset, paragraph 3.2.3 of IFRS 9 requires an entity to derecognize a financial asset when, and only when, ‘the contractual rights to the cash flows from the financial asset expire’. In the fact pattern described in the request, the entity, therefore, derecognizes the trade receivable on the date on which its contractual rights to the cash flows from the trade receivable expire.

Determining the date on which the entity’s contractual rights to those cash flows expire is a legal matter, which would depend on the specific facts and circumstances including the applicable laws and regulations and the characteristics of the electronic transfer system. In the fact pattern described in the request, if the entity’s contractual right to receive cash from the customer expires only when the cash is received, the entity would derecognize the trade receivable on the transfer settlement date (the date it receives the cash in its bank account).

### ***Recognition of Cash (or Another Financial Asset)***

Paragraph 3.1.1 of IFRS 9 requires an entity to recognize a financial asset when, and only when, ‘the entity becomes a party to the contractual provisions of the instrument’. In the fact pattern described in the request, the entity is a party to the contractual provisions of an instrument—its bank account—under which it has the contractual right to obtain cash from the bank for amounts it has deposited with that bank. In the fact pattern described in the request, it is therefore only when cash is deposited in its bank account that the entity would have a right to obtain cash from the bank. Consequently, the entity recognizes cash as a financial asset on the transfer settlement date, and not before.

The Committee observed that, if an entity’s contractual rights to the cash flow from the trade receivable expire before the transfer settlement date, the entity would recognize any financial asset received as settlement for the trade receivable (for example, a right to receive cash from the customer’s bank) on that same date. An entity would not however recognize cash (or another financial asset) received as settlement for trade receivable before it derecognizes the trade receivable.

### **Conclusion**

In the fact pattern described in the request, the Committee concluded that, applying paragraphs 3.2.3 and 3.1.1 of IFRS 9, the entity:

1. Derecognizes the trade receivable on the date on which its contractual rights to the cash flows from the trade receivable expire; and
2. Recognizes the cash (or another financial asset) received as settlement for that trade receivable on the same date.

The Committee concluded that the principles and requirements in IFRS Standards provide an adequate basis for an entity to determine when to derecognize a trade receivable and recognize cash received via an electronic transfer system as settlement for that receivable. Consequently, the Committee [decided] not to add a standard-setting project to the work plan.



## Agenda Decisions for the Board’s Consideration

### Non-refundable Value Added Tax on Lease Payments (IFRS 16 Leases)—Agenda Paper 2

The Committee considered feedback on the tentative agenda decision published in the March 2021 IFRIC Update about how a lessee accounts for any non-refundable value-added tax (VAT) charged on lease payments.

The Committee reached its conclusions on that agenda decision. In accordance with paragraph 8.7 of the IFRS Foundation’s Due Process Handbook, the International Accounting Standards.

### Accounting for Warrants that are Classified as Financial Liabilities on Initial Recognition (IAS 32 Financial Instruments: Presentation)—Agenda Paper 3

The Committee considered feedback on the tentative agenda decision published in the March 2021 IFRIC Update about the application of IAS 32 in relation to the reclassification of warrants.

The Committee reached its conclusions on that agenda decision. In accordance with paragraph 8.7 of the IFRS Foundation’s Due Process Handbook.

### Other matters

### Lease Liability in a Sale and Leaseback—Agenda Paper 4

The Committee discussed the Board’s Lease Liability in a Sale and Leaseback project. Committee members provided advice on the project’s direction after considering the feedback on the related exposure draft.

The Board will consider the Committee’s advice when it discusses the matter at a future meeting.

### Work in Progress—Agenda Paper 7

The Committee received an update on the current status of open matters not discussed at its meeting in September 2021. Addendum to IFRIC Update—Committee’s agenda decisions

Agenda decisions, in many cases, include explanatory material. Explanatory material may provide additional insights that might change an entity’s understanding of the principles and requirements in IFRS Standards. Because of this, an entity might determine that it needs to change an accounting policy as a result of an agenda decision. It is expected that an entity would be entitled to sufficient time to make that determination and implement any necessary accounting policy change (for example, an entity may need to obtain new information or adapt its systems to implement a change). Determining how much time is sufficient to make an accounting policy change is a matter of judgment that depends on an entity’s particular facts and circumstances. Nonetheless, an entity would be expected to implement any change on a timely basis and, if material, consider whether disclosure related to the change is required by IFRS Standards.

The Committee discussed the following matters and decided not to add standard-setting projects to the work plan.

### Non-refundable Value Added Tax on Lease Payments (IFRS 16 Leases)—Agenda Paper 2 Published in October 2021

The Committee received a request about how a lessee accounts for any non-refundable value-added tax (VAT) charged on lease payments. In the fact pattern described in the request:

- A. The lessee operates in a jurisdiction in which VAT is charged on goods and services. A seller includes VAT in an invoice for payment issued to a purchaser. In the case of leases, VAT is charged when an invoice for payment is issued by a lessor to a lessee.
- B. The applicable legislation:
  1. Requires a seller to collect VAT and remit it to the government; and
  2. Generally allows a purchaser to recover from the government VAT charged on payments for goods or services, including leases.
- C. Because of the nature of its operations, the lessee can recover only a portion of the VAT charged on purchased goods or services. This includes VAT charged on payments it makes for leases. Consequently, a portion of the VAT the lessee pays is non-refundable.



D. Lease agreements require the lessee to make payments to the lessor that include amounts related to VAT charged in accordance with the applicable legislation.

e.

The request asked whether, in applying IFRS 16, the lessee includes non-refundable VAT as part of the lease payments for a lease.

Outreach conducted by the Committee and comment letters on the Committee's tentative agenda decision provided limited evidence:

- A. That non-refundable VAT on lease payments is material to affected lessees; and
- B. Of diversity in the way, lessees in similar circumstances account for non-refundable VAT on lease payments.

The Committee has therefore not received evidence that the matter has a widespread effect and has, or is expected to have, a material effect on those affected. Consequently, the Committee decided not to add a standard-setting project to the work plan.

### **Accounting for Warrants that are Classified as Financial Liabilities on Initial Recognition (IAS 32 Financial Instruments: Presentation)—Agenda Paper 3**

Published in October 2021<sup>1</sup>

The Committee received a request about the application of IAS 32 in relation to the reclassification of warrants. Specifically, the request described a warrant that provides the holder with the right to buy a fixed number of equity instruments of the issuer of the warrant for an exercise price that will be fixed at a future date. At initial recognition, because of

the variability in the exercise price, the issuer in applying paragraph 16 of IAS 32 classifies these instruments as financial liabilities. This is because for a derivative financial instrument to be classified as equity, it must be settled by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its equity instruments ('fixed-for-fixed condition'). The request asked whether the issuer reclassifies the warrant as an equity instrument following the fixing of the warrant's exercise price after initial recognition as specified in the contract, given that the fixed-for-fixed condition would at that stage be met.

The Committee observed that IAS 32 contains no general requirements for reclassifying financial liabilities and equity instruments after initial recognition when the instrument's contractual terms are unchanged. The Committee acknowledged that similar questions about reclassification arise in other circumstances. Reclassification by the issuer has been identified as one of the practice issues the Board will consider addressing in its Financial Instruments with Characteristics of Equity (FICE) project. The Committee concluded that the matter described in the request is, in isolation, too narrow for the Board or the Committee to address cost-effectively. Instead, the Board should consider the matter as part of its broader discussions on the FICE project. For these reasons, the Committee decided not to add a standard-setting project to the work plan.

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<sup>1</sup> In accordance with paragraph 8.7 of the Due Process Handbook, at its October 2021 meeting, the International Accounting Standards Board discussed and did not object to, this agenda decision.

**Source:** [www.ifrs.org](http://www.ifrs.org)



## New IFAC Board Members and Member Organizations Confirmed

NEW YORK - The International Federation of Accountants (IFAC), the voice of the global accountancy profession, announced its new board members, and that it is maintaining a female-majority board for the third consecutive year in a row. Over the past decade, IFAC is proud to have improved the gender balance on its key governing bodies.

The new and reappointed IFAC Board members and their nominating member organizations are:

### New appointments

- Gregory Anton (Association of International Certified Professional Accountants, USA)
- Tashia Batstone (Chartered Professional Accountants of Canada, Canada)
- Jeanine Poggiolini (South African Institute of Chartered Accountants, South Africa)

### Reappointments

- Lisa Padmore (Institute of Chartered Accountants of Barbados, Barbados)
- Margret Pétursdóttir (Nordic Federation of Public Accountants, Iceland)
- Dr. Jianhua Tang (Chinese Institute of Certified Public Accountants, China)
- Ayşe Ariak Tunaboylu (Union of Chambers of Certified Public Accountants of Turkey / Expert Accountants' Association of Turkey, Turkey)



### New IFAC Member Organizations Admitted

In addition to the election of new Board members, the IFAC Council also approved new members and associate member organizations.

### New IFAC Members

- Institut Akuntan Publik Indonesia (IAPI) – Indonesia
- Vietnam Association of Certified Public Accountants (VACPA) – Vietnam

### New Associates:

- United Arab Emirates Accountants and Auditors Association (UAE AAA) – United Arab Emirates
- Yemeni Association of Certified Public Accountants (YACPA) – Yemen

The new appointments, reappointments, and membership decisions were approved at IFAC's 2021 Council meeting, held virtually on November 10-11.

Source: [www.ifac.org](http://www.ifac.org)

## IAASB Announces New Board Member Appointments for 2022

NEW YORK - The International Auditing and Assurance Standards Board (IAASB) announced the following new appointments and re-appointments to take effect on January 1, 2022:

### New Members

- Mr. William Edge, Chair, Australian Auditing and Assurance Standards Board
- Dr. Warren Maroun, Professor, School of Accountancy, University of the Witwatersrand, South Africa



### Re-appointed Members

- Mr. Kai Morten Hagen, Technical Director at Den Norske Revisorforening (Norwegian Institute of Public Accountants)
- Ms. Sachiko Kai, Technical Director, Japanese Institute of Certified Public Accountants
- Mr. Eric Turner, Former Director, Canadian Auditing and Assurance Standards Board



“It is a pleasure to welcome the new IAASB members and congratulate re-appointed members,” **said Tom Seidenstein, IAASB Chair.** “One of the IAASB’s hallmarks is our diversity in thought and experiences that strengthen our deliberations. I look forward to these new voices adding to that diversity and expanding our conversations.”

The IAASB also announces the re-appointment of Mr. Len Jui as its deputy chair for 2022.

“I am also extremely pleased that Len will continue serving as **IAASB deputy chair,**” **said Mr. Seidenstein.** “Len’s dedication to the IAASB is tireless and we are collectively stronger because of his efforts.”

**Source: [www.ifac.org](http://www.ifac.org)**

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## **IAASB Publishes First Digital Handbook, Enhancing Capacity and Accessibility of Standards**

*Available on New Online Platform, e-International Standards*

NEW YORK - The first fully digital International Auditing and Assurance Standards Board (IAASB) handbook of pronouncements is now live on a new web application, e-International Standards (eIS). The first iteration of the platform marks a milestone in the IAASB’s commitment to improving the usability of and access to its standards by harnessing technology. For the first time, users will be able to benefit from optimized search functions, cut and paste capabilities, and easy navigation.

“The launch of our digital standards platform responds to the demand for increased accessibility and is another step in pursuing our strategic objective of benefiting from technological innovation,” said IAASB Chair Tom Seidenstein. “Over time, we will continue to improve e-International Standards to account for user feedback and improve the usability of the platform and the IAASB standards.”



eIS was launched by the International Federation of Accountants (IFAC) and developed collaboratively with IAASB, the International Ethics Standards Board for Accountants (IESBA), and the International Public Sector Accounting Standards Board (IPSASB). Designed to meet stakeholders’ needs, the platform allows for quick reference to other standard-setting boards’ standards and related resources, driving a strong connection between adherence to IAASB standards and the IESBA’s International Code of Ethics for Professional Accountants.

The platform is accessible via the IAASB website or at [eis.international-standards.org](http://eis.international-standards.org).

**Source: [www.ifac.org](http://www.ifac.org)**





جمعية الجمع العربي للمحاسبين القانونيين (الأردن)  
عضو في طلال أبوغزاله فاونديشن

خصم

50%

على  
الإصدارات  
المهنية



للطلب والاستفسار:

هاتف: ٩٠٠ ٥١٠٠ ٦ (+٩٦٢ ٦) فرعي (١٢٢٣) (١٢٢٤)

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f ASCAsociety

# TABLETS

## TAG-DC

*Digital Citizens Tool*

- Spreadtrum SC9863 Octa Core
- 4 GB RAM
- 64 GB Storage
- 6000 mAh
- 10.1" FHD
- Android 9
- Dual SIM Cards
- AC WIFI, GPS, Bluetooth
- 5 MP Front Camera, 13 MP Rear Camera



Screen Protector | Charger OTG



## TAG-TAB II

*Quality, Prices, Services*

- Spreadtrum SC9863 Octa Core
- 4 GB RAM
- 64 GB Storage
- 6500 mAh
- 10.1" FHD
- Android 9.0
- Single SIM Card
- AC WIFI, GPS, Bluetooth
- 5 MP Front Camera, 13 MP Rear Camera



Leather Cover | Docking Keyboard-touch pad & Stylus Pen  
HQ Bluetooth Earphones and Screen Protector



## TAG-TAB III

*Become A TAG Friend*

- MediaTek MTK8788 Octa-core
- 6 GB RAM
- 128 GB Storage
- 6000 mAh
- 10" FHD
- Android 10
- Single SIM Card
- AC WIFI, GPS, Bluetooth
- 5 MP Front Camera, 16 MP Rear Camera



Leather Cover



## TAG-TAB KIDS

*For Our Loved Ones*

- Spreadtrum SC7731E Quad Core
- 2 GB RAM
- 32 GB Storage
- 4000 mAh
- 8" HD+
- Android 10
- Housing Plastic
- WIFI, GPS, Bluetooth
- 2 MP Front Camera, 8 MP Rear Camera
- Light Sensor / Distance sensor



Rubber Cover



**SMARTPHONES**

# TAG-PHONE

*TAG: Your Trusted Brand*

- CPU: MediaTek Hello P60 Octa Core
- 6 GB RAM Android 10
- 64 GB Storage Dual Nano SIM Card
- Battery Capacity 4000 mAh
- Display: 6.2" HD+
- 8 MP Front Camera, 16 MP Rear Camera



Wired Headphones



Screen Protector



Back cover



# TAG-PHONE Plus

*Compare then Buy*

- CPU: MediaTek Hello A25 Octa Core
- 4 GB RAM Android 10
- 128 GB Storage Dual Nano SIM Card + TF Card
- Battery Capacity 4500 mAh Display: 6.55" HD+
- 8 MP Front Camera, 16 MP Rear Camera



Screen Protector



Back cover



# TAG-PHONE Advanced

*Tailored to Be Advanced*

- CPU: MediaTek Hello P60 Octa Core
- 6 GB RAM Android 10
- 128 GB Storage Dual Nano SIM Card
- Battery Capacity 4400 mAh Display: 6.3" FHD+
- 16 MP Front Camera, 16 MP Rear Camera



Screen Protector



Back cover



Your *TECH TOOLS* for the Inevitable Digital Future

# LAPTOPS

## TAGITOP<sup>®</sup>-MULTI

- Intel Core i7 6<sup>th</sup> Gen (6500U)
- GPU: Intel® HD + NVIDIA GT940 MX
- 8 GB DDR3 RAM
- Storage: 1 TB HDD | 128 GB SSD
- 2 IN 1 SD/MMC
- 2x USB 3.0, 2x USB 2.0, 1x HDMI (4K)
- Backlit Keyboard



Carrying Case



4000 mAh



15.6" FHD



Built in Camera



AC Wi-Fi, Bluetooth 4.0



## TAGITOP<sup>®</sup>-PLUS

- Intel Core i7 8<sup>th</sup> Gen (8550U)
- GPU: Intel® HD
- 8 GB DDR4 RAM
- Storage: 1 TB HDD | 128 GB SSD
- 2 IN 1 SD/MMC
- 2x USB 3.0, 2x USB 2.0, 1x HDMI (4K)
- Backlit Keyboard



Carrying Case



4000 mAh



15.6" FHD



Built in Camera



AC Wi-Fi, Bluetooth 4.0



## TAGITOP<sup>®</sup>-PRO

- Intel Core i7 10<sup>th</sup> Gen (1065G7)
- GPU: Intel® Iris® Plus Graphics
- 8 GB DDR4 RAM
- Storage: SSD 128 GB + SSD 512 GB
- 2x USB 3.0, 1x USB 2.0, 1x HDMI
- Backlit Keyboard



Fabric Sleeve Case



7400 mAh



15.6" FHD



Built in Camera



Fingerprint



AC WIFI, Bluetooth 4.0



## TAGITOP<sup>®</sup>-PLUS II

- Intel Core i7 10<sup>th</sup> Gen (10510U)
- GPU: Intel® UHD + Nvida MX250, GDDR5 2GB
- 8 GB DDR-4 RAM
- Storage: SSD 128 GB + HDD 512 GB
- 2x USB 3.0, 1x USB 2.0, 1x Type C, 1x HDMI, RJ45
- Micro SD Card Reader ● Backlit Keyboard



Fabric Sleeve Case



5000 mAh



15.6" FHD



Built in Camera



Fingerprint



AC WIFI, Bluetooth 4.2



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# LAPTOPS

## TAGITOP<sup>®</sup>-UNI C

- Intel Celeron N4100
- GPU: Intel UHD Graphics 600
- 4 GB LPDDR3 RAM
- Storage: 256 GB SSD + 64 GB EMMC
- 1x USB 3.0, 2x USB 2.0, 1x MINI-HDMI, RJ45



4800 mAh



14.1" FHD



Built in Camera



AC Wi-Fi, Bluetooth 4.0



## TAGITOP<sup>®</sup>-UNI

- Intel Core i3 5<sup>th</sup> Gen (5005U)
- GPU: Intel HD graphics 5500
- 8 GB DDR3L RAM
- Storage: SSD 128 GB + HDD 512 GB
- 1x USB 3.0 1x USB 2.0, 1x Type C, 1x HDMI
- Backlit Keyboard



4000 mAh



14.1" FHD



Built in Camera



Fingerprint



AC WIFI, Bluetooth 4.0



Fabric Sleeve Case



## TAGITOP<sup>®</sup>-EDU

- Intel Core i3 10<sup>th</sup> Gen (1005G1)
- GPU: Intel® UHD
- 4 GB RAM DDR4
- Storage: 128 GB SSD
- 2x USB 3.1, 1x Type C, 1x HDMI, RJ45



4290 mAh



14" FHD



Built in Camera



AC WIFI, Bluetooth 4.2



Carry bag | USB mouse  
Rubber cover



## TAGITOP<sup>®</sup>-FLIP

- Intel Core i5 8<sup>th</sup> Gen (8259U)
- GPU: Intel® Iris® Plus Graphics 655
- 8 GB DDR4 RAM
- Storage: 256 GB SSD
- 1x USB 3.1, 1x Type C, 1x HDMI
- Backlit Keyboard



7000 mAh



14.1" FHD

Screen ten points touch



Built in Camera



Fingerprint



AC WIFI, Bluetooth 4.2



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