

As of 10.14.09

PROPOSED
CHART OF **A**CCOUNTS
FOR
BROKER **D**EALER
IN **S**ECURITIES

The Chart of Accounts is aimed at organizing bookkeeping procedures, informing the public about any economic and administrative information needed, as well as elaborating financial statements and other established reports.

The Chart of Accounts is based on generally accepted accounting principles in the Philippines with reference to Philippine Financial Reporting Standards.

The Chart of Accounts has the following structure:

1. Accounts are grouped in classes:
 - a) Class 1 – Assets
 - b) Class 2 – Liabilities
 - c) Class 3 – Equity
 - d) Class 4 – Revenues
 - e) Class 5 – Cost of Services
 - f) Class 6 – Expenses
2. Each class is divided into groups, which in turn is divided into subgroups.
3. Numbers are used to designate each account.
4. Seven-digit numbers are used to designate the accounts.
 - a) The first digit of the account number reflects the class of the account, specifying whether it is part of Assets, Liabilities, Equity, Revenues, Cost of Service, and Expenses.
 - b) The second and third digits reflect the group and subgroup of accounts.

The last four digits reflect the concrete object of bookkeeping.
5. The balances on accounts within "Assets", "Liabilities", "Equity" are used to draw up the Balance Sheet; balances on accounts within classes "Revenues", "Cost of Service" and "Expenses " are used to draw up the Statement of Income.
6. The Chart of Accounts specifies the account number and name. The description, application, and reflection on accounts (to debit and to credit) are also provided.

Acronyms — As used in this document, unless the context indicates otherwise:

1. TP- Trading Participant/s; used interchangeably with "broker", "broker dealer" or "dealer
2. SEC – refers to the Securities and Exchange Commission
3. PSE - refers to the Philippine Stock Exchange
4. CTGF – refers to the Clearing Trade Guaranty Fund
5. HDMF – refers to the Home Development Mutual Fund; also known as Pag-ibig
6. Central Depository – may refer to the Philippine Central Depository or any other firm offering depository services
7. BIR – refers to the Bureau of Internal Revenue
8. PhilHealth – the National Health Insurance Program which is administered by the Philippine Health Insurance Corporation
9. AFS – Available-for-Sale
10. VAT – Value Added Tax
11. ECC – Employee Compensation Contribution
12. PAS – Philippine Accounting Standards
13. PFRS – Philippine Financial Reporting Standards

Assets 1000000 – 1999999

A resource that the TP owns or controls, has economic value, is expected to provide future benefit, and can be measured reliably.

1100000 Current Assets

These accounts are used to record assets that are reasonably expected to be realized in cash, or is intended for sale or consumption in the entity's normal operating cycle; it is held primarily for the purpose of being traded and expected to be realized within twelve months after the balance sheet date; or it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

1101000 Cash and Cash Equivalents

These include cash on hand and peso or foreign currency deposits in banks which are unrestricted and immediately available for use in current operations. These are also highly liquid investments that are readily convertible to known amount of cash with original maturities of three months or less from dates of placements and that are subject to an insignificant risk of changes in value.

1101100 Cash on Hand

This account is used to record cash in the form of notes and coins under the custody of the cash custodian.

Debit this account for:

All cash receipts not yet deposited to a bank

Credit this account for:

All cash disbursements, cash deposits and other cash investments

1101110 Petty Cash Fund

This account is used to record funds to defray minimal cash disbursements. All petty cash payments shall be evidenced or supported by duly accomplished and approved petty cash vouchers.

Debit this account for:

Set up and replenishment of petty cash fund and increase in petty cash fund

Credit this account for:

Cash disbursements from the petty cash fund

1101120 Cash in Bank – Local Currency

This account is used for all peso-denominated bank accounts.

Debit this account for:

All cash and check deposits, interest received (net of withholding tax), and bank credit advices or memos

Credit this account for:
All bank withdrawals, check payments, and bank debit advices or memos

1101130 Cash in Bank - Foreign Currency

This account is used for all foreign currency- denominated bank accounts.

Debit this account for:
All cash and check deposits denominated in currencies other than the Philippine currency, interest received (net of withholding tax), and bank credit advices or memos

Credit this account for:
All bank withdrawals, check payments, conversion of such accounts to Philippine peso, and debit advices or memos

1101140 Cash in Bank- Reserve Bank Account

This account is used for bank deposits for the exclusive benefit of customers as required by the SRC Rule 49.2 – 4 Special Reserve Bank Account for the Exclusive Benefit of Customer (referred by the SRC as the “Reserve Bank Account”). All customer funds should be deposited under this account.

Debit this account for:
All cash and check deposits pursuant to SRC Rule 49.2 – 4 Special Reserve Bank Account for the Exclusive Benefit of Customer, interest received (net of withholding tax), and bank credit advices or memos

Credit this account for:
All bank withdrawals, check payments, and bank debit advices or memos

1101150 Cash – Clearing House

This account is used for bank deposits pertaining to transactions entered into between the broker and the clearing house.

Debit this account for:
All cash and check deposits

Credit this account for:
All payments and withdrawals made

1101160 Cash Equivalents

This account is used for highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, the maturity of which, is normally 90 days or less from date of acquisition.

Debit this account for:
All investments with maturity of less than 90 days

Credit this account for:
Maturity or termination of investments

1102000 Trade Receivables

These include amounts due from customers resulting from brokerage services rendered and other activities arising from the core business operations and expected to be collected in the regular course of business.

1102100 Receivable from Customers – Cash Accounts

This account is used to record the amount due from customers resulting from brokerage services rendered, including value of securities bought in behalf of customers, commission, and other charges on cash accounts.

Debit this account for:

Amount due from customers for brokerage services rendered

Credit this account for:

Collections on the amounts due from customers for brokerage services rendered and authorized write-offs of the accounts after determining that the receivable is no longer collectible

1102110 Allowance for Credit Losses – Receivable from Customers – Cash Accounts

This account is used to record valuation reserves for non-collectibility of receivables from customer-cash accounts, which is estimated based on regulatory requirements, industry or TP standards.

Debit this account for:

Accounts of customers, which have been determined to be uncollectible for which authority to write-off has been granted

Credit this account for:

Estimated amount of credit losses

1102120 Receivable from Customers – Margin Accounts

This account is used to record the amount due from customers arising from margin transactions.

Debit this account for:

Amount due from customers for brokerage services rendered for margin accounts

Credit this account for:

Collections on the amounts due from customers for brokerage services rendered and authorized write-offs of the accounts after determining that the receivable is no longer collectible

1102130 Allowance for Credit Losses – Receivable from Customers – Margin Accounts

This account is used to record valuation reserves for non-collectibility of receivables from customers-margin accounts, which is estimated based on regulatory requirements, industry or TP standards.

Debit this account for:
Accounts of margin customers, which have been determined to be uncollectible for which authority to write-off has been granted

Credit this account for:
Estimated amount of credit losses

1102140 Receivable from Other Brokers

This account is used to record claims due from other brokers for the purchase of securities and other trade-related transactions.

Debit this account for:
All claims from other brokers arising from the purchase of securities and other trade-related transactions

Credit this account for:
Collections of amounts due from other brokers, authorized write-offs, and reclassifications from other accounts

1102150 Receivable from Clearing House

This account is used to record the cash settlement entitlement of TPs' to be received from the clearing house during or after the settlement of their "clearing house-eligible trades". These receivables arise from selling transactions for the account of customers and TP's own account on settlement date.

Debit this account for:
Net receivable from clearing house for proceeds from selling transactions

Credit this account for:
Collections of amounts due to TP

1102160 Receivable from Securities Failed to Deliver

This account is used to record the amount of receivable from buying brokers or dealers covering the purchase price of securities sold but not yet delivered. The related long value represents the market value of securities, which the brokerage concern is obliged to deliver.

Debit this account for:
Market value of securities failed to deliver

Credit this account for:
Delivery of securities, collections of amounts due, and authorized write-offs after determining that the receivable is no longer collectible

1102170 Receivable from Securities Borrowed

This account is used to record the amount advanced to lending brokers or dealers as collateral for the borrowed securities (market value of security at the time of transaction plus or minus subsequent mark-to-market) and thus the amount to be received when the borrowed security is returned. The related long value represents the current market value of the securities borrowed.

Debit this account for:
Market value of securities borrowed

Credit this account for:
Delivery of securities, collections of amounts due, and authorized write-offs after determining that the receivable is no longer collectible

1102180 Dividends Receivable

This account is used to record cash and property dividends earned but not yet received on shares of stocks owned by the TP.

Debit this account for:
Cash and property dividends declared but not yet received

Credit this account for:
Receipt of cash and property dividends

1102190 Allowance for Credit Losses – Other Trade Receivables

This account is used to record valuation reserves for non-collectibility of trade receivable other than receivable from customers, which is estimated based on regulatory requirements, industry or TP standards.

Debit this account for:
Accounts due from other parties arising from other trade-related activities which have been determined to be uncollectible for which authority to write-off has been granted

Credit this account for:
Estimated amount of credit losses

1103000 Other Receivables

These accounts are used to record Notes Receivable, Interest Receivable, Secured Demand Notes, and other receivables.

1103100 Notes Receivable

This account is used to record receivable due to the TP, in the form of a promissory note, arising from a loan extended by the TP.

Debit this account for:
Notes receivable at outstanding balance

Credit this account for:
Collection of notes receivable

1103110 Interest Receivable

This account is used to record interest income already earned but not yet collected or received on investments in government securities and on loans considered under existing rules and regulations.

Debit this account for:
Interest earned for the period

Credit this account for:
Collection of interest receivable

1103120 Secured Demand Notes

This account is used to record notes receivable from a lender whose claim is subordinated to the claims of creditors pursuant to a satisfactory subordination agreement in conformity with SRC Rule 29.1 (G).

Debit this account for:
The outstanding balance of secured demand note

Credit this account for:
Payment of subordinated liability to lender

1103130 Advances to Officers and Employees

This account is used to record the amounts due from officers and employees of the TP.

Debit this account for:
All cash advances subject to liquidation and other receivables from officers and employees

Credit this account for:
Liquidation of cash advances, collection of receivables from officers and employees, and authorized write-off of accounts

1103140 Due from Related Parties

This account is used to record all receivables arising from transactions with stockholders and related parties other than TP officers or employees.

Debit this account for:
Advances to and other transfers of assets to related parties

Credit this account for:
Collection of receivables from related parties, credit memos, and authorized write-off

1103150 Others - Receivables

This account is used to record receivables from other sources which cannot be classified under the specific receivable accounts.

Debit this account for:
Outstanding balance of other receivables

Credit this account for:
Collections
Accounts which have been determined to be uncollectible for which authority to write-off has been granted and reclassifications to other accounts

1103160 Allowance for Credit Losses – Other Receivables

This account is used to record valuation reserves for non-collectibility of other receivables which is estimated based on regulatory requirements, industry or TP standards.

Debit this account for:
Accounts due from other parties arising from non-trade-related activities which have been determined to be uncollectible for which authority to write-off has been granted

Credit this account for:
Estimated amount of credit losses

1104000 Financial Assets at Fair Value through Profit or Loss

These are financial assets which are either classified as held for trading or upon recognition it is designated at fair value through profit and loss which shall be accounted for in accordance with PAS 39.

1104100 Held for Trading Securities

This account is used for equity securities that are acquired principally for the purpose of selling or repurchasing them in the near term; or part of a portfolio of identified securities that are managed together and for which there is evidenced of a recent actual pattern of short-term profit-taking.

Debit this account for:
Cost (fair value of consideration given plus transaction costs) of financial asset acquired and reclassification from other financial assets
Fair value changes

Credit this account for:
Sale or disposal of financial asset
Fair value changes

1104110 Financial Assets Designated at Fair Value

This account is used for financial assets that are designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.

Debit this account for:

Cost (fair value of consideration given plus transaction costs) of financial asset acquired and reclassification from other financial assets
Fair value changes

Credit this account for:

Sale or disposal of financial asset
Fair value changes

1104120 Investments in Securities with No Ready Market

This account is used to record investment in securities, which have no ready market, including delisted or suspended issues.

Debit this account for:

Investments made and reclassifications from other accounts

Credit this account for:

Investments sold, reclassified to other accounts, or written-off

1105000 Prepayments

1105100 Prepaid Rent

This account is used to record the advance payment and deposit for lease or rental of buildings, land, equipment, office space, vehicles, and other property, plant, and equipment for use in operations.

Debit this account for:

Advance payment and deposit for lease or rental of property, plant, and equipment for use in operations

Credit this account for:

Expired or expensed portion at the end of the accounting period

1105110 Prepaid Insurance

This account is used to record the advance payment for surety bond premiums and insurance premiums of TP properties, etc.

Debit this account for:

Advance payment for surety bond premiums and insurance premiums of TP properties

Credit this account for:

Expired or expensed portion at the end of the accounting period

1105120 Prepaid Taxes and Licenses

This account is used to record the advance payments for taxes and licenses including business permits, real property taxes, etc.

Debit this account for:
Advance payment for taxes and licenses

Credit this account for:
Expired or expensed portion at the end of the accounting period

1105130 Other Prepayments

This account is used to record other prepaid expenses not included in any specific prepaid expense accounts.

Debit this account for:
Other prepaid expenses

Credit this account for:
The expired or expensed portion of other prepaid expenses at the end of the accounting period

1106000 Available-for-Sale Investments – Current Portion

This account is used to account for the current portion of any non-derivative financial assets designated on initial recognition as Available-for-Sale. AFS assets are measured at fair value in the balance sheet. Fair value changes on AFS assets are recognised directly in equity, through the statement of changes in equity, except for interest on AFS assets (which is recognised in income on an effective yield basis), impairment losses, and (for interest-bearing AFS debt instruments) foreign exchange gains or losses. This must be accounted for under PAS 39.

1106100 Available-for-Sale Investments – Current Portion – with Ready Market

This account is used to account for the current portion of any non-derivative financial assets designated on initial recognition as Available-for-Sale with ready market.

Debit this account for:
Cost (fair value of consideration given plus transaction costs) of Available-for-Sale investments
Discount accretion as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost is less than the par value of the instrument
Gains arising from the change in the fair value of securities

Credit this account for:
Sale or divestment of Available-for-Sale investments
Premium amortization as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost is greater than the par value of the instrument
Losses arising from the change in the fair value of securities

1106110 Available-for-Sale Investments – Current Portion – with No Ready Market

This account is used to account for the current portion of any non-derivative financial assets designated on initial recognition as Available-for-Sale with no ready market.

Debit this account for:

Cost (fair value of consideration given plus transaction costs) of Available-for-Sale investments

Discount accretion as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost is less than the par value of the instrument

Gains arising from the change in the fair value of securities

Credit this account for:

Sale or divestment of Available-for-Sale investments

Premium amortization as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost is greater than the par value of the instrument

Losses arising from the change in the fair value of securities

1107000 Held-to-Maturity Investments -Current Portion

This account is for the current portion of Held-to-Maturity investments in debt securities. Held-to-Maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. This must be accounted for under PAS 39.

Debit this account for:

Current portion of Held-to-Maturity investments

Discount accretion as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost does not equal to the par value of the instrument

Credit this account for:

Maturity or termination of investment or reclassification to other accounts

Premium amortization

1108000 Other Current Assets

This account is used to record all other current assets which cannot be properly classified in specific current asset accounts.

Debit this account for:

Other current assets not accounted specifically in preceding accounts

Credit this account for:

Authorized write-offs and reclassification to other accounts

1500000 Non-Current Assets

These accounts are used to record assets that are not reasonably expected to be realized in cash or sold or consumed within one year, and which cannot be properly classified in specific non-current asset accounts.

1501000 Available-For-Sale Investments - Non-Current Portion

This account is used to account for the long-term portion of securities that are designated as Available-for-Sale.

1501100 Available-For-Sale Investments – Non-Current Portion - with Ready Market

This account is used to account for the long-term portion of securities that are designated as Available-for-Sale with ready market.

Debit this account for:

Cost (fair value of consideration given plus transaction costs) of Available-for-Sale investments

Discount accretion as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost is less than the par value of the instrument

Gains arising from the change in the fair value of securities

Credit this account for:

Sale or divestment of Available-for-Sale investments

Premium amortization as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost is greater than the par value of the instrument

Losses arising from the change in the fair value of securities

1501110 Available-For-Sale Investments – Non-Current Portion – without Ready Market

This account is used to account for the long-term portion of securities that are designated as Available-for-Sale without ready market.

Debit this account for:

Cost (fair value of consideration given plus transaction costs) of Available-for-Sale investments

Discount accretion as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost is less than the par value of the instrument

Gains arising from the change in the fair value of securities

Credit this account for:

Sale or divestment of Available-for-Sale investments

Premium amortization as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost is greater than the par value of the instrument

Losses arising from the change in the fair value of securities

1502000 Held-to-Maturity Investments – Non-Current Portion

This account is used to account for the long-term portion of Held-to-Maturity investments in debt securities.

Debit this account for:

Long-term portion of Held-to-Maturity investments

Discount accretion as it is subsequently measured at amortized cost using the effective interest method in cases when the acquisition cost does not equal to the par value of the instrument

Credit this account for:

Premium amortization

Termination of investments or reclassification to other accounts

1503000 Investments in Subsidiaries

This account is used to account for investments in the equity instruments of unconsolidated subsidiaries, which shall be accounted for in accordance with PAS 27. As provided under PAS 27, a subsidiary is an entity that is controlled by another entity (known as the parent). Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity, unless in exceptional circumstances, it can be directly demonstrated that such ownership does not constitute control.

Debit this account for:

Cost of investment in subsidiaries
Reversal of impairment loss

Credit this account for:

Sale or divestment of investment in subsidiaries
Impairment loss, if any

1504000 Investment in Associates

This account is used to account for the equity instruments of associates, which shall be accounted for under PAS 28. An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist if an investor holds, directly or indirectly through subsidiaries, 20 percent or more of the voting power of the investee, unless it can be clearly demonstrated that that is not the case. Conversely, if the investor holds, directly or indirectly through subsidiaries, less than 20 percent of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

Debit this account for:

Cost of investment in associate
Reversal of impairment loss

Credit this account for:

Sale or divestment of investment in associate
Impairment loss, if any

1505000 Investment in Joint Venture

This account is used for investments in a contractual arrangement subject to joint control. This can be treated as follows: (a) jointly controlled ventures recognized by the venture by including the assets and liabilities, expenses and income in the venture; (b) jointly controlled assets recognized on a proportional basis; or (c) jointly controlled entities recognized in consolidated statements.

Debit this account for:

Cost of investment in joint ventures
Reversal of impairment loss

Credit this account for:

Sale or divestment of investment in joint ventures
Impairment loss, if any

1506000 Investment Property

This account is used to record a property (land or building - or part of a building - or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. This is accounted for under PAS 40.

Debit this account for:

Purchases of investment property or reclassifications thereto
Reversal of impairment

Credit this account for:

Sale or disposal of investment property or reclassifications therefrom
Impairment loss, if any

1506500 Accumulated Depreciation – Investment Property

This account is used to record the accumulated depreciation of investment property owned by the TP, which is to be set up monthly against current operations.

Debit this account for:

Accumulated balance upon sale, disposal or retirement of the asset

Credit this account for:

Allocation of the cost of investment property over its estimated useful life

1507000 Property, Plant & Equipment

1507100 Land

This account is used to record the acquisition cost of the land or lots by the TP as existing or for future sites of its offices.

Debit this account for:

Purchases of land and costs incidental to such purchase

Credit this account for:

Disposal of land holdings
Impairment loss, if any

1507110 Leasehold Improvements

This account is used for those repairs and/or improvement made by the TP on a leased asset or facility that increases the value of the asset.

Debit this account for:

Repairs and/or improvements made on leased assets

Credit this account for:

Removal or disposition of improvements
Impairment loss, if any

1507115 Accumulated Amortization – Leasehold Improvements

This account is used to record the accumulated amortization of leasehold improvements made by the TP on its leased asset, which is to be set up monthly against current operations.

Debit this account for:

Accumulated balance upon sale, disposal or retirement of the asset

Credit this account for:

Allocation of the cost of leasehold improvement over its estimated useful life or term of lease, whichever is shorter

1507120 Building

This account is used to record the cost of buildings owned or controlled and used or to be used by the TP for its businesses. This excludes property investments.

Debit this account for:

Acquisition cost of building owned or controlled

Credit this account for:

Sale, disposal or retirement of the asset
Impairment loss, if any

1507125 Accumulated Depreciation - Building

This account is used to record the accumulated depreciation of building owned by the TP, which is to be set up monthly against current operations.

Debit this account for:

Accumulated balance upon sale, disposal or retirement of the asset

Credit this account for:

Allocation of the cost of building over its estimated useful life

1507130 Condominium

This account is used to record the cost of condominium owned or controlled and used or to be used by the TP for its businesses. This excludes property investments.

Debit this account for:

Acquisition cost of condominium owned or controlled

Credit this account for:

Sale, disposal or retirement of the asset
Impairment loss, if any

1507135 Accumulated Depreciation - Condominium

This account is used to record accumulated depreciation of condominium owned or controlled by the TP, which is to be set up monthly against current operations.

Debit this account for:

Accumulated balance upon sale, disposal or retirement of the asset

Credit this account for:

Allocation of the cost of condominium over its estimated useful life

1507140 Furniture, Fixtures and Equipment

This account is used to record fixed assets such as furniture, shelves, cabinets, and electronic equipment including telephone equipment, computer, printer, scanner and other equipment.

Debit this account for:

Addition or acquisition of furniture, fixtures and equipment

Credit this account for:

Sale, disposal or retirement of the asset

Impairment loss, if any

1507145 Accumulated Depreciation – Furniture, Fixtures and Equipment

This account is used to record the accumulated depreciation of furniture, fixtures and equipment of the TP, which is to be set up monthly against current operations.

Debit this account for:

Accumulated balance upon sale, disposal or retirement of the asset

Credit this account for:

Allocation of the cost of furniture, fixtures and equipment over its estimated useful life

1507150 Transportation Equipment

This account is used to record all TP-owned or controlled transportation equipment such as cars, motorcycles, etc.

Debit this account for:

Acquisition of transportation equipment

Credit this account for:

Sale, disposal or retirement of the transportation equipment

Impairment loss, if any

1507155 Accumulated Depreciation – Transportation Equipment

This account is used to record the accumulated depreciation of transportation equipment of the TP, which is to be set up monthly against current operations

Debit this account for:

Accumulated balance upon sale, disposal or retirement of the asset

Credit this account for:

Allocation of the cost of transportation equipment over its estimated useful life

1507160 Revaluation Increment – Property, Plant and Equipment

This account is used to record appraisal increase or revaluation of an asset which increases the value of the asset.

Debit this account for:

Increase in the value of fixed asset as appraised or revalued

Credit this account for:

Sale, disposal or retirement of the asset revalued

1507165 Accumulated Depreciation–Revaluation Increment–Property Plant & Equipment

This account is used to record the accumulated depreciation of the appraisal increase or revaluation of an asset of the TP, which is to be set up monthly against current operations.

Debit this account for:

Accumulated balance upon sale, disposal or retirement of the asset

Credit this account for:

Allocation of the cost of revalued asset over its estimated useful life

1507170 Others – Property, Plant and Equipment

This account is used to record all other property, plant and equipment not classified in the preceding accounts.

Debit this account for:

Acquisition cost of fixed assets

Credit this account for:

Sale, disposal or retirement of the asset

1507175 Accumulated Depreciation – Others – Property, Plant and Equipment

This account is used to record the accumulated depreciation of other property, plant and equipment of the TP, which is to be set up monthly against current operations.

Debit this account for:
Accumulated balance upon sale, disposal or retirement of the asset

Credit this account for:
Allocation of costs of other fixed assets over their estimated useful life

1508000 Intangible Assets

This account is used to record identifiable nonmonetary assets without physical substance.

1508100 Computer Software (Net of Amortization)

This account is used to record acquisition of operating system for computer hardware.

Debit this account for:
Acquisition of computer software

Credit this account for:
Amortization of software cost over its useful life
Impairment, if any

1508110 Goodwill

This account is used to record goodwill arising on business combination, which represents the excess of the cost of acquisition over the TP's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition.

Debit this account for:
Set-up of goodwill

Credit this account for:
Impairment, if any

1508120 Trading Rights

This account is used to record the cost of the seat in the Philippine Stock Exchange which carries right to trade in the exchange.

Debit this account for:
Acquisition of trading right
Reversal of impairment loss

Credit this account for:
Impairment, if any

1508130 Other Intangible Assets (Net of Amortization)

This account is used to record all other intangible assets not specifically identified in the accounts above, and which are allowed to be recognized as intangibles in accordance with PAS 38.

Debit this account for:
Acquisition of other intangible asset not classified above
Reversal of impairment loss

Credit this account for:
Impairment, if any

1509000 Deferred Tax Assets

Deferred tax assets are recognized for future tax consequences attributable to: (a) the temporary differences between the financial reporting bases of assets and their related tax bases; (b) the carryforward benefits of minimum corporate income tax (MCIT); and (c) net operating loss carryover (NOLCO). A deferred tax asset is recognized as described above to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be used. Deferred tax assets and deferred tax liabilities should be offset on the balance sheet only if the enterprise has the legal right to settle on a net basis and they are levied by the same taxing authority on the same entity or different entities that intend to realize the asset and settle the liability at the same time.

Debit this account for:
Deferred tax asset set-up

Credit this account for:
Reversal of deferred tax assets. This occurs when the provision on the assets is actually sustained or when the MCIT or NOLCO is actually utilized or when they expire

1510000 Other Non-Current Assets

1510100 Refundable Deposit

This account is used to account for all sums of money given as security for an item acquired for temporary use.

Debit this account for:
All types of refundable deposits, e.g. rental deposit, telephone deposit, etc.

Credit this account for:
Withdrawal of all types of refundable deposits

1510110 Input Tax

This account is used to record input VAT for purchase of goods and services from VAT registered entities. This offset against output tax in the VAT declaration to get the VAT payable.

Debit this account for:
Input VAT upon purchase of goods and services

Credit this account for:
Offset of input VAT with output VAT
Lapse of input VAT

1510120 Creditable Withholding Tax

This account is used to record the creditable withholding tax, which is an amount withheld from income payments.

Debit this account for:
Withheld amount of revenues

Credit this account for:
Settlement of income tax obligation

1510130 Retirement Pension Asset

This account is used to record the prepaid amount of retirement benefit of employees which shall be accounted for in accordance with PAS 19 and PAS 39.

Debit this account for:
Contribution to the plan

Credit this account for:
Recognized service cost and expected liability

1510140 Miscellaneous Assets

This account is used to record all other types of non-current assets, which cannot be classified under any specific non-current asset accounts.

Debit this account for:
All other types of non-current assets

Credit this account for:
Sale or disposition of other types of assets and reclassification of other asset accounts

Liabilities 2000000 - 2999999

This includes obligation of TP that is recognized when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

2100000 Current Liabilities

2101000 Trade Payables

2101100 Payable to Customers

This account is used to record the amount due to customers arising from brokerage services rendered, including value of securities sold in behalf of customers, commission, and other charges.

Debit this account for:
Payments of amounts due to customers

Credit this account for:
Amount due to customers

2101110 Payable to Clearing House

This account is used to record cash settlement obligations of TPs' for payment to clearing house to facilitate the settlement of their "Clearing House-Eligible Trades".

Debit this account for:
Payment of matured dues to clearing house

Credit this account for:
Contract values of the securities bought on behalf of the customers or for its own account

2101120 Payable to Brokers

This account is used to record claims due to other brokers for the sale of securities and other trade-related transactions.

Debit this account for:
Payments of amounts due to other brokers

Credit this account for:
All claims from other brokers arising from the sale of securities, etc.

2101130 Payable for Securities Failed to Receive

This account is used to record the amount payable to selling brokers or dealers for securities purchased by the brokerage concern but which have not been received. The related short value represents the current market value of the securities which the selling broker or dealer is obliged to deliver.

Debit this account for:
Market value of the securities at the contract date upon receipt of the securities

Credit this account for:
Amount payable to selling brokers or dealers for securities purchased by the brokerage concern but not yet received

2101140 Payable for Securities Loans

This account is used to record the cash collateral advanced by the borrowing brokers or dealers (market value of securities at time of transaction plus or minus subsequent mark-to-market) and thus the amount to be repaid upon return of securities loaned. The related short value represents the current market value of the securities loaned to the borrowing broker.

Debit this account for:
Payments or return of loaned securities to other brokers or customers

Credit this account for:
Market value of the loaned securities from other brokers or customers

2101150 Dividends Payable - Customers

This account is used to record dividends received in behalf of beneficial owners of securities held in the name of the broker-dealers.

Debit this account for:
Distributions of dividends to eligible beneficial owners

Credit this account for:
Cash or property dividends received in behalf of beneficial owners of securities held in the name of the broker-dealers

2102000 Payable to Non-Customers

This account is used to record claims due to other parties which are non trade-related.

Debit this account for:
Payments of non trade-related payables to non-customers

Credit this account for:
Claims payable to non-customers
Interest accruals

2103000 Short-Term Borrowings

This account is used to record borrowings which are maturing within the next balance sheet date.

Debit this account for:
Payments of matured short-term borrowings

Credit this account for:
Amount of borrowings which are maturing within the next balance sheet date

2104000 Current Portion of Long-Term Borrowings

2104100 Subordinated Liability – Current Portion

This account is used to record current portion of indebtedness subordinated to the claims of creditors pursuant to a satisfactory subordination agreement in conformity with SRC Rule 29.1 (G). This is accounted for in accordance with PAS 39.

Debit this account for:
Payments made to lenders, conversion of subordinated liability to equity, or reclassification to other accounts

Credit this account for:
Approved subordinated loan

2104110 Loans Payable - Current Portion

This account is used to record portion of loans maturing within one year after the balance sheet date. This is accounted for in accordance with PAS 39.

Debit this account for:
Payments or settlement of loans

Credit this account for:
The current portion of loans payable after one year

2104120 Notes Payable - Current Portion

This account is used to record portion of promissory notes maturing within one year after the balance sheet date. This is accounted for in accordance with PAS 39.

Debit this account for:
Payments or settlement of promissory notes

Credit this account for:
Portion of the promissory notes payable within one year

2104130 Bonds Payable- Current Portion

This account is used to record portion of bonds payable maturing within one year after the balance sheet date.

Debit this account for:
Payments or settlement of bonds

Credit this account for:
Portion of bonds payable within one year

2105000 Income Tax Payable

This account is used to record income tax payable due within one year after the balance sheet date.

Debit this account for:
Payments or settlement of income tax payable

Credit this account for:
Recognition of income tax payable

2106000 Provisions - Short-Term

This account is used to record for the current portion of a present obligation (legal or constructive), where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation. This is accounted for in accordance with PAS 37.

Debit this account for:
Payment or settlement of obligation

Credit this account for:
Current portion of the provision (legal or constructive)

2107000 Other Current Liabilities

2107100 Due to Related Parties

This account is used to record all receivables arising from transactions with stockholders and related parties other than TP officers or employees.

Debit this account for:
Payment of due to related parties, debit memos, and liability condoned

Credit this account for:
Payables, advances from, and transfers of assets

2107110 Due to BIR

This represents the tax deducted or withheld by the TP, as withholding agent and taxes owed by the TP for remittance or payment to the BIR, in accordance with existing rules and regulations.

2107111 Due to BIR - VAT Payable

This account is used to record tax dues for the VAT, which is levied on the performance of services, i.e., dealings in securities.

Debit this account for:
Payment of monthly VAT dues to BIR

Credit this account for:
The amount of VAT dues for the service performed in dealings in securities

2107112 Due to BIR - Withholding Tax – Compensation

This account is used to record taxes withheld from income payments to individuals receiving purely compensation income arising from an employer-employee relationship.

Debit this account for:
Remittances of withheld tax on compensation to the BIR

Credit this account for:
Amount of tax withheld on the employee's salaries and other compensation

2107113 Due to BIR - Withholding Tax - Expanded

This account is used to record taxes withheld as required by law for professional fees, rentals of real and personal properties in excess of P10,000 annually, payment to certain contractors, and others as required by applicable provisions of the tax law.

Debit this account for:
Remittances of withheld taxes to the BIR

Credit this account for:
Amount withheld out of payments for professional fees, rentals of real and personal property, payments for contractors and others as required by applicable provisions of the tax law

2107114 Due to BIR - Withholding Tax – Final

This account is used to record taxes withheld as required by law for cash and/or property dividends distributed, capital gains presumed to have been realized from the sale, exchange or other disposition of real property, fringe benefit granted to the employees except rank and file employees, and others as required by applicable provisions of the tax law.

Debit this account for:
Remittances to the BIR of withheld taxes on transactions subject to Final Tax

Credit this account for:
Taxes withheld for cash and/or property dividends distributed, capital gains from sale, exchange or other disposition of real property, fringe benefits and others as required by applicable provisions of the tax law

2107115 Due to BIR - Withholding Tax – Others

This account is used to record other taxes which cannot be properly classified in the preceding withholding tax accounts.

Debit this account for:
Remittances of taxes withheld to BIR

Credit this account for:
Amount of taxes withheld for other transactions subject to withholding tax not covered on the preceding accounts

2107116 Due to BIR - Documentary Stamp Tax Payable

This account is used to record the tax on documents, instruments, loan agreements and papers evidencing the acceptance, assignment, sale or transfer of an obligation, right or property incident thereto.

Debit this account for:

Payments to BIR for the documentary stamp tax liability

Credit this account for:

Documentary stamp tax due

2107117 Due to BIR - Stock Transaction Tax Payable

This account is used to record tax dues for stock transactions which is computed at 1/2 of 1% of gross selling price imposed on the sale, barter, exchange or other disposition of shares through the facilities of stock exchange.

Debit this account for:

Payment of stock transaction tax due to BIR

Credit this account for:

Stock transaction tax due

2107118 Due to BIR - Other Taxes Payable

This account is used to record other taxes due which cannot be properly classified in the preceding tax accounts.

Debit this account for:

Payments of other taxes

Credit this account for:

Amount of taxes due other than those included in the preceding accounts

2107120 SSS Loan Payable

This account is used to record the amount withheld from employees' salary for payment of their loan with SSS for remittance to the latter.

Debit this account for:

Remittance of amounts withheld from employees for payment of their loans

Credit this account for:

Amount withheld from employees' salary for their payment on their SSS Loan

2107130 SSS Premium Payable

This account is used to record the monthly SSS contributions by the TP employees by way of salary deductions for remittance with the SSS.

Debit this account for:
Remittances of withheld premium contributions to SSS

Credit this account for:
SSS Premium contributions by the TP employees

2107140 HDMF Loan Payable

This account is used to record the amount withheld from employees' salaries for payment of their loan with Pag-ibig Fund for remittance to the latter.

Debit this account for:
Remittance of amounts withheld from employees for payment of their loans

Credit this account for:
Amount withheld from employees' salaries for their payment on their Pag-ibig Fund Loan

2107150 PhilHealth Premium Payable

This account is used to record the monthly PhilHealth contributions withheld from TP employees by way of salary deductions for remittance to PhilHealth.

Debit this account for:
Remittances of withheld premium contributions to PhilHealth

Credit this account for:
Premium contributions by the TP employees

2107160 ECC Payable

This account is used to record employer EC contributions to SSS.

Debit this account for:
Payment of ECC due to SSS

Credit this account for:
Amount of employer's contribution to SSS

2107170 HDMF Fund Payable

This account is used to record the amount due to HDMF for employees' contributions.

Debit this account for:
Remittances to HDMF of the contributions

Credit this account for:
Amount due to HDMF for employees' contributions

2107180 Transfer Fee Payable

This account is used to record fees to the transfer office for issuance of certificates of stocks.

Debit this account for:

Payment for the request issuance of certificates to the transfer office

Credit this account for:

Amount payable to the transfer office for the issuance of certificates

2107190 Central Depository Fees Payable

This account is used to record the fees incurred at Central Depository for lodgment and upliftment requests, and terminal fees for the access of the Central Depository System.

Debit this account for:

Payment of dues to the Central Depository

Credit this account for:

Fees payable to the Central Depository

2107200 Clearing House Fee Payable

This account is used to record charges by clearing house which is normally based on volume.

Debit this account for:

Payment of due to clearing house

Credit this account for:

Amount due to clearing house

2107210 Transaction Fee Payable

This account is used to record the monthly dues to the Exchange.

Debit this account for:

Payment made to the Exchange for the transaction fees

Credit this account for:

Amount due to the Exchange

2107220 Interest Payable

This account is used to record unpaid interests on borrowings such as on loans on banks and other financial institutions, notes payables, and other borrowings to other entities with interest clauses.

Debit this account for:
Payment of the interest

Credit this account for:
Interest incurred and due on borrowings such as on loans on banks and other financial institutions, notes payables, and other borrowings to other entities with interest clauses

2107230 Securities Differences

This account is used to record unresolved short security differences in the monthly securities counts, which were not resolved within seven (7) days after discovery. This is recorded for RBCA purposes only and NOT for general ledger.

Debit this account for:
Market values of the securities bought back as replacement of unresolved securities differences at the time of discovery

Credit this account for:
Market values of short securities differences at the time of discovery

2107240 Securities Sold not yet Repurchased

This account is used to record securities sold which are not carried long and not yet repurchased on the day after the settlement period.

Debit this account for:
The contract value of repurchased securities

Credit this account for:
The contract value of the securities to be repurchased

2107250 Dividends Payable - Stockholders

This account is used to record the unpaid cash or property dividends declared by the TP Board of Directors to stockholders on record.

Debit this account for:
Payment of cash or property dividends to stockholders

Credit this account for:
Amount of cash or property dividends to be distributed

2107260 Mortgage Payable

The amount of mortgage, which is a debt instrument by which the borrower (mortgagor) gives the lender (mortgagee) a lien on property as security for the repayment of a loan that remains to be paid.

Debit this account for:
Payment of mortgage due

Credit this account for:
Amount of mortgage availed

2107270 Deposits Due

This account is used to record deposits received for considerations other than those emanating from the leasing of TP properties.

Debit this account for:
Refund of deposits

Credit this account for:
Deposit received for considerations other than rentals of properties

2107280 Rental Deposit Payable

This account is used to record deposits received from other party for rentals of buildings, equipment and other properties that is refundable at a specified date.

Debit this account for:
Cash refund to lessee

Credit this account for:
Receipt of deposit from lessee for rentals of buildings, equipment and other properties

2107290 Advances for Future Services

This account is used to record collected revenues that are not recognized as income pending completion of the earning process. If related to an asset account, this account should be presented net of related asset account.

Debit this account for:
Earned portion of the fees received in advance

Credit this account for:
Consideration received in advance

2107300 Accrued Management Bonus

This account is used to record accrual of bonuses to officers.

Debit this account for:
Payment of bonuses to officers
Reversal of accruals at the beginning of the accounting period

Credit this account for:
Accrual of approved bonuses to officers

2107310 Accrued Expenses

This account is used to record accrual of expenses such as utilities, salaries, and other regularly accrued expenses.

Debit this account for:

Payment of accrued expenses

Reversal of accruals at the beginning of the accounting period

Credit this account for:

Accrual of expenses

2107320 Miscellaneous Payable

This account is used to record other current liabilities which cannot be properly classified in the preceding accounts.

Debit this account for:

Payment of miscellaneous liabilities

Credit this account for:

Amount of liability incurred

2200000 Non-Current Liabilities

These accounts are used generally to record liabilities payable more than one year after the balance sheet date.

2201000 Non-Current Portion of Long-term Borrowings

2201100 Subordinated Liability – Non-Current Portion

This account is used to record indebtedness subordinated to the claims of creditors pursuant to a satisfactory subordination agreement in conformity with SRC Rule 29.1 (G). This is accounted for in accordance with PAS 39.

Debit this account for:

Payments made to lenders,

Conversion of subordinated liability to equity

Reclassification to other accounts

Credit this account for:

Approved subordinated loan

2201110 Loans Payable – Non-Current Portion

This account is used to record loans extended to the TP by banks and other lending institutions not maturing within one year from the balance sheet date. This is accounted for in accordance with PAS 39.

Debit this account for:
Reclassifications to current portion
Settlement of the loan

Credit this account for:
Non-current portion for loans payable not maturing within one year from the balance sheet date

2201120 Notes Payable – Non-Current Portion

This account is used to record payable due from the TP, in the form of promissory note, arising from loan extended to TP, not payable within one year from the balance sheet date. This is accounted for in accordance with PAS 39.

Debit this account for:
Reclassifications to current portion
Settlement of loans

Credit this account for:
Portion of promissory notes payable after one year

2201130 Bonds Payable- Non-Current Portion

This account is used to record indebtedness due from the TP arising from issuance of bond certificate not payable within one year from the balance sheet date.

Debit this account for:
Reclassifications to current portion
Settlement of loans

Credit this account for:
Portion of bonds payable after one year

2202000 Deferred Tax Liability

This account is used to record tax liability recognized for temporary differences that will result in net taxable amounts in future years.

Debit this account for:
Reduction to the extent that those deductible amounts offset taxable amounts from other temporary differences in future years

Credit this account for:
Recognition of deferred tax liability

2203000 Retirement Liability

This account is used to record retirement benefit of employees which shall be accounted for in accordance with PAS 19 and PAS 39.

Debit this account for:
Recognition of retirement expense paid to employees

Credit this account for:
Accrual of retirement cost

2204000 Obligation under Finance Lease

This account is used to record the future lease payments payable under finance lease that shall be accounted for in accordance with PAS 17.

Debit this account for:
Payment of lease obligation

Credit this account for:
Cost of the leased asset

2205000 Redeemable Preferred Shares

This is used to record preferred shares issued which provides for redemption on a specific date at the option of the holder and with guaranteed dividends. This shall be measured at amortized cost using effective interest method.

Debit this account for:
Redemption of preferred shares issued

Credit this account for:
Cost of preferred shares issued

2206000 Provisions – Long-term

This account is used to record for the non-current portion of a present obligation (legal or constructive), where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation. This is accounted for in accordance with PAS 37.

Debit this account for:
Payment or settlement of obligation

Credit this account for:
Non-current portion of the provision (legal or constructive)

2207000 Other Non-Current Liabilities

This account is used to record all other non-current liabilities which cannot be properly classified in other accounts.

Debit this account for:
Payments of liability or reclassification to other accounts

Credit this account for:
Non-current liability incurred

3101130 Preference Share Capital - Non-Cumulative

This account is used to record shares that carry certain preferences over common share such as dividends and a claim on TP's assets upon liquidation. Non-cumulative preference shares, however, does not present a steady claim on dividends in the event of dividend suspension and may not be paid any missed dividends once payment for the accumulated unpaid dividends has resumed.

Debit this account for:

Transfer of preference shares – non-cumulative from capital account to treasury shares

Credit this account for:

Issuance of shares for an amount equal to par value times the number of shares issued, when subscription for preference shares (non-cumulative) sold has been fully paid

3101140 Subscribed Preference Shares - Non-Cumulative

This account is used to record all subscriptions of the TP's non-cumulative preference shares.

Debit this account for:

Issuance of preference shares (non-cumulative) once the shares have been fully paid for

Credit this account for:

Subscription of preference shares (non-cumulative)

3101150 Subscription Receivable - Preference Shares - Non-Cumulative

This account is used to record the outstanding portion of the subscribed non-cumulative preference shares. This is reported as a deduction from equity.

Debit this account for:

The unpaid balance of the full subscription price of the non-cumulative preference shares bought by the investor

Credit this account for:

The payment of the remaining balance of the subscription

3101160 Preference Share Capital – Cumulative

This account is used to record shares that carry certain preferences over common shares and shall be entitled to all past and present dividends once payment for any unpaid dividends has resumed but not redeemable at the option of the holder.

Debit this account for:
Transfer of preference shares - cumulative from capital account to treasury shares

Credit this account for:
Issuance of shares for an amount equal to par value times the number of shares issued and when subscription for preference shares (cumulative) sold has been fully paid

3101170 Subscribed Preference Shares - Cumulative

This account is used to record all subscriptions of the TP's cumulative preference shares.

Debit this account for:
Issuance of preference shares (cumulative) once the shares have been fully paid for

Credit this account for:
Subscription of preference shares (cumulative)

3101180 Subscription Receivable - Preference Shares – Cumulative

This account is used to record the outstanding portion of the subscribed cumulative preference shares. This is reported as a deduction from equity.

Debit this account for:
The unpaid balance of the full subscription price of the cumulative preference shares bought by the investor

Credit this account for:
The payment of the remaining balance of the subscription

3101190 Stock Dividend Distributable

This account is used to record distributions of the earnings of the TP in the form of its own shares of stock. The amount capitalized is equal to the par value of the stock.

Debit this account for:
Issuance of stock dividends

Credit this account for:
Declaration of stock dividend

3200000 Reserves

3201000 Share Premium

This account is used to record any amount received in excess of the par value of the stocks issued.

Debit this account for:

Sale of treasury stock below cost, absorption of a deficit in a recapitalization (quasi reorganization), and declaration of a "small" (ordinary) stock dividend

Credit this account for:

Excess of par value of stocks issued

Sale of treasury stock above cost

Additional capital arising from the recapitalization or revisions in the capital structure (quasi reorganization)

Additional assessments on stockholders

Conversion of convertible bonds or preference stock

Declaration of a "small" (ordinary) stock dividend

3202000 Donated Capital

This account is used to record voluntary contributions of resources to the TP.

Debit this account for:

Retirement or sale of the asset donated

Credit this account for:

Initial recognition of the asset donated to the TP

3203000 Deposit for Future Subscription

This account is used to record all payments received for subscription from all the authorized stocks issued to stockholders with pending application to SEC for increase of capital shares. In the absence of said application, payment should be classified as liability.

Debit this account for:

The transfer of deposit to share of capital account when approval from SEC for increase in capital shares is received

Credit this account for:

All payments received for subscriptions pending approval from SEC

3204000 Revaluation Reserves

This account is used to record the increase in the carrying amount of the assets as a result of revaluation.

Debit this account for:

Subsequent revaluation decrease

Retirement or disposal of the revalued asset

Recognition of the deferred tax liability on the appraisal increase

Credit this account for:

Recognition of the increase in the asset's carrying amount

3205000 Option Premium on Convertible Bonds

This account is used to record the equity component of convertible debt instruments and compound instruments. Examples include a convertible bond with the holder's option to convert into common shares and debt issued with detachable share purchase warrants. When the initial carrying amount of a compound financial instrument is required to be allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

Debit this account for:

Payment of convertible debt instrument or reclassification to other accounts

Credit this account for:

Equity component of convertible debt instruments and compound instruments

3206000 Net Unrealized Gains/(Losses) on AFS Investments

This account is used to record increase or decrease in fair value of AFS investments in accordance with PAS 39. This should be net of deferred tax liability.

Debit this account for:

Decline in value of AFS investments

Credit this account for:

Any reversal or adjustment made in the same year the decline was recognized to take into account appreciation of market values of non-current investments

3207000 Cumulative Translation Adjustment

This account is used to record imbalances resulting from different exchange rates used to remeasure different line items in the balance sheet and income statement when financial statements of foreign affiliates stated in foreign currency are restated in the parent TP's reporting currency for the consolidation.

Debit this account for:

Losses caused by translation adjustments

Credit this account for:

Gains caused by translation adjustments

3300000 Treasury Shares (TS)

This account is used to record shares that have been reacquired and are available for retirement or resale; it cannot vote and pays no dividends. This is shown in the balance sheet as a deduction from the total of all owners' equity accounts.

3301000 Common shares (TS)

This account is used to record common shares treasury stock.

Debit this account for:
The reacquisition of common share capital

Credit this account for:
The reissuance of treasury shares

3302000 Preference shares – Cumulative (TS)

This account is used to record preference shares – cumulative treasury stock.

Debit this account for:
The reacquisition of preference - cumulative shares

Credit this account for:
The reissuance of treasury shares

3303000 Preference shares - Non-Cumulative (TS)

This account is used to record preference shares - non-cumulative treasury stock.

Debit this account for:
The reacquisition of preference - non-cumulative shares

Credit this account for:
The reissuance of treasury shares

3400000 Retained Earnings

These accounts are used to record the undistributed earnings of the TP.

3401000 Retained Earnings - Appropriated-Reserve Fund

This account is used to record undistributed earnings reserved for capital build up pursuant to SEC Memorandum Circular 16 series of 2004, otherwise known as the RBCA rules.

Debit this account for:
Declaration of stock dividends

Credit this account for:
The segregation of the appropriated reserve fund from the unrestricted retained earnings

3402000 Retained Earnings - Appropriated-Others

This account is used to record undistributed earnings reserved for future projects of the TP and is restricted for dividend declaration.

Debit this account for:
The transfer of the appropriated earnings to unrestricted retained earnings after completion of the projects

Credit this account for:
The segregation of the appropriated retained earnings from the unappropriated retained earnings

3403000 Retained Earnings/(Deficit) - Unappropriated

This account is used to record accumulated earnings after appropriation to or transfer from reserves and distribution of dividends.

Debit this account for:
The transfer of the unrestricted retained earnings to appropriated retained earnings
Declaration of dividends

Credit this account for:
Net income for the current period

3404000 Prior Period Adjustments

This account is used to record prior period adjustments.

Debit this account for:
Reductions in retained earnings

Credit this account for:
Additions to retained earnings

3500000 Minority Interest

This account is used to record the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the TP. PAS 27 requires the presentation of minority interest within equity in the consolidated balance sheet.

Credit this account for:
The recognition of the portion of equity in TP's subsidiary not directly or indirectly owned by the TP during consolidation.

Revenues 4000000 - 4999999

4101000 Commission Revenue

This account is used to record commissions earned from stock brokerage services rendered to customers.

Debit this account for:
Closing of revenue at the end of financial year to retained earnings/(deficit)

Credit this account for:
Commissions earned during the period

4102000 Other Revenues

These accounts are used to record revenues other than the commission revenue.

4102100 Rental Revenue

This account is used to record income earned from rental of buildings, land, equipment, office space, vehicles, and other property, plant, and equipment.

Debit this account for:
Closing of rental revenue at the end of financial year to retained earnings/(deficit)

Credit this account for:
Rent earned during the period

4102110 Dividend Revenue

This account is used to record dividends earned from securities owned by TP as principal.

Debit this account for:
Closing of dividend revenue at the end of financial year to retained earnings/(deficit)

Credit this account for:
Dividend earned during the period

4102120 Interest Revenue

This account is used to record interests earned from deposit in banks, investments in government securities and on loans considered under existing rules and regulations.

Debit this account for:
Interest earned during the year

Credit this account for:
Closing of interest revenue at the end of financial year to retained earnings/(deficit)

4102130 Gain/(Loss) on Sale of Financial Assets at Fair Value through Profit or Loss

This account is used to record gains and losses on sale of financial assets that were acquired or incurred principally for the purpose of generating profit from short-term fluctuations in price or dealer's margin. This is the difference between the carrying amount of the financial asset held for trading versus its selling price.

Debit this account for:

Loss on sale of financial assets held for trading

Closing of net realized gain at the end of financial year to retained earnings/(deficit)

Credit this account for:

Gain on sale of financial assets held for trading

Closing of net realized loss at the end of financial year to retained earnings/(deficit)

4102140 Unrealized Market Gain/(Loss) on Financial Assets at Fair Value through Profit or Loss

This account is used to record gains and losses from the change in the fair value of financial assets held for trading.

Debit this account for:

Mark to market loss on financial assets held for trading

Closing of net unrealized gain at the end of financial year to retained earnings/(deficit)

Credit this account for:

Mark to market gain on financial assets held for trading

Closing of net unrealized loss at the end of financial year to retained earnings/(deficit)

4102150 Foreign Exchange Gain/(Loss)

This account is used when there is/are:

- Exchange differences arising on settlement of monetary items or on translating monetary items
- A change on the exchange rate between the transaction date and settlement date, and the transaction is settled within the same accounting period.
- When a gain or loss on a non-monetary item is recognized in profit and loss.
- Exchange differences arising on monetary item that form part of a reporting entity's net investment in foreign operation
- Exchange differences arising from translation of a foreign operation previously classified in equity which are not recognized in profit and loss until the disposal of the operation.

Debit this account for:
Exchange loss on settlement and translation of unsettled monetary items resulting to loss
Closing of net foreign exchange gain at the end of financial year to retained earnings/(deficit)

Credit this account for:
Exchange gain on settlement and translation of unsettled monetary items resulting to gain
Closing of net foreign exchange loss at the end of financial year to retained earnings/(deficit)

4102160 Unrealized Foreign Exchange Gain/(Loss)

This account is used to record unrealized gains/losses arising from revaluation of foreign currency denominated accounts. This shall be accounted for in accordance with PAS 21.

Debit this account for:
Exchange loss on revaluation of foreign currency denominated account
Closing of net unrealized foreign exchange gain at the end of financial year to retained earnings/(deficit)

Credit this account for:
Exchange gain on revaluation of foreign currency denominated account
Closing of net unrealized foreign exchange loss at the end of financial year to retained earnings/(deficit)

4102170 Gain/(Loss) on Sale of Other Assets

This account is used to record gains and losses incurred in the disposition of other assets, which is the difference between the carrying amount and its selling price.

Debit this account for:
Loss on sale of other assets
Closing of net gain on sale of other assets at the end of financial year to retained earnings/(deficit)

Credit this account for:
Gain on sale of other assets
Closing of net loss on sale of other assets at the end of financial year to retained earnings/(deficit)

4102180 Miscellaneous Revenues

This account is used to record other gains or revenues, which cannot be properly classified in preceding accounts.

5102100 Salaries and Wages - Operations

This account is used to record salaries and benefits of employees directly involved in the operations.

Debit this account for:

Salaries and benefits paid or accrued to employees directly involved in operations

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

5102110 13th Month & Compensation-Related Benefits - Operations

This account is used to record 13th month benefits & other employee benefits of employees directly involved in the operations.

Debit this account for:

13th month and other employee benefits accrued or paid to employees directly involved in operations

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

5102120 Employees' Welfare - Operations

This account is used to record any aid in the form of money or necessities to promote the well being of TP employees directly involved in the operations.

Debit this account for:

Cost of employee welfare benefits

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

5102130 SSS Contributions - Operations

This account is used to record the employer's share of the premium contributions to SSS for employees directly involved in the operations.

Debit this account for:

Premium contributions accrued or paid to SSS for employees directly involved in operations

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal/adjustment made in the same year the expense was recognized

5102140 PhilHealth Contributions - Operations

This account is used to record PhilHealth contributions of employers for employees directly involved in operations.

Debit this account for:

PhilHealth contributions accrued or paid for employees directly involved in operations

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

5102150 EC Contributions - Operations

This account is used to record the employer EC contributions to SSS for employees directly involved in operations.

Debit this account for:

Employer contributions accrued or paid for employees directly involved in operations

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

5102160 HDMF Fund Contributions - Operations

This account is used to record employer's share to HDMF for employees directly involved in the operations.

Debit this account for:

Contributions accrued or paid to HDMF for employees directly involved in the operations

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

5102170 Employee Retirement Cost – Operations

This account is used to record employer's contributions for the post-employment benefits of its employees.

Debit this account for:

Payment or accrual of contributions payable to a contribution plan

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal/adjustment made in the same year the expense was recognize

5103000 Stock Exchange Dues and Fees

This account is used to record dues to the Exchange for transaction fees and other fees incidental to its membership with the exchange such as but not limited to terminal fees, use of Exchange facilities, etc.

Debit this account for:
Dues accrued or paid to the Exchange

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

5104000 Central Depository Fees

This account is used to record charges by the Central Depository for lodgment and upliftment requests, and terminal fees for the access of the Central Depository system.

Debit this account for:
Lodgment and upliftment requests, and terminal fees

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

5105000 Research Fees

This account is used to record charges for access to Bloomberg, Reuters, and other similar data providers.

Debit this account for:
Access or subscription fees for data use

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

Operating Expenses

6000000 - 6999999

6100000 Administrative Expenses

6101000 Compensation and Benefits - Admin

6101100 Salaries and Wages - Admin

This account is used to record salaries and wages of employees other than those involved in operations.

Debit this account for:
Payment or accrual of salaries and wages of employees other than those involved in operations

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6101110 13th Month & Other Compensation-Related Benefits - Admin

This account is used to record 13th month & other benefits of employees other than those directly involved in operations.

Debit this account for:
Payment or accrual of 13th month & other benefits of employees other than those directly involved in operations

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6101120 Employees' Welfare - Admin

This account is used to record any aid in the form of money or necessities (such as medical care, housing, car plan, uniforms, etc.) to promote the well-being of TP employees other than those directly involved in operations.

Debit this account for:
Cost of employee welfare benefits other than those directly involved in operations

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6101130 SSS Contributions - Admin

This account is used to record employers premium contributions for employees other than those directly involved in operations to SSS.

Debit this account for:
Payment or accrual of SSS premium contributions of employees other than those involved in operations

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6101140 PhilHealth Contributions - Admin

This account is used to record PhilHealth contributions of employees other than those directly involved in operations.

Debit this account for:

Payment or accrual of PhilHealth contributions of employees other than those involved in operations

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6101150 EC Contributions - Admin

This account is used to record employer EC contributions to SSS for employees other than those directly involved in operations.

Debit this account for:

Employer contributions accrued or paid for employees other than those directly involved in operations

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6101160 HDMF Fund Contributions - Admin

This account is used to record premium contributions by employees to HDMF.

Debit this account for:

Premium contributions by employees to HDMF

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6101170 Employee Retirement Cost - Admin

This account is used to record employer's contributions for the post-employment benefits of its employees.

Debit this account for:

Payment or accrual of contributions payable to a contribution plan

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6102000 Trainings and Seminars

This account is used to record training and seminar costs of employees.

Debit this account for:

Training and seminar costs of employees

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

6103000 Management Bonus

This account is used to record management bonus given to officers excluding 13th month pay and statutory bonuses

Debit this account for:

Management bonus given to officers

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

6104000 Transportation and Travel

This account is used to record expenses for the official travel of directors, officers and employees such as fares, hotel bills, subsistence, portage and tips. This account also includes expenses of directors, officers and employees incurred for fuel and minor repairs in using personally owned vehicles for official travel.

Debit this account for:

Transportation and travel costs

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

6105000 Meetings and Conferences

This account is used to record costs of business meetings and conferences.

Debit this account for:

Business meetings and conferences costs

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

6106000 Entertainment, Amusement and Recreation

This account is used to record fixed allowances and/or actual expenses for client solicitations, public relations activities, and business development activities.

Debit this account for:
Representation and entertainment costs

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6107000 Management Fees

This account is used to record management fees incurred and subject to a management fee agreement.

Debit this account for:
Management fees

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6108000 Professional Fees

This account is used to record expenses for services rendered by individuals or firms on a retainer or contractual basis such as the legal counsel, external auditors and consultants.

Debit this account for:
Billed or accrued expenses for services of legal counsel, external auditors and consultants

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6109000 Directors Fees

This account is used to record per diems and fees granted to directors in accordance with management policy.

Debit this account for:
Per diems and other fees granted to directors

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6110000 Rent

This account is used to record costs incurred or accrued from rental of buildings, land, equipment, office space, vehicles, and other property, plant, and equipment.

Debit this account for:
Rental dues

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6111000 Utilities

This account is used to record cost of power, light, and water consumption.

Debit this account for:
Cost of power, light, and water consumption

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6112000 Insurance

This account is used to record insurance costs including among others, insurance for fire, burglary.

Debit this account for:
Insurance costs including among others, insurance for fire, burglary

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6113000 Office Supplies

This account is used to record costs of office supplies used.

Debit this account for:
Costs of office supplies used

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6114000 Postage, Telephone & Communication

This account is used to record costs for mailing, telephone, facsimile, telegram and other form of communications used in the business operations.

Debit this account for:

Costs of postage, telephone, and other form of communications used in the business operations

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

6115000 Security, Messengerial and Janitorial

This account is used to record costs for security, messengerial, and janitorial services provided by other entities it has service agreements with.

Debit this account for:

Costs of security, messengerial, and janitorial services

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

6116000 Gas & Oil

This account is used to record costs for gas & oil of TP-owned vehicles.

Debit this account for:

Gas & oil costs

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

6117000 Repairs & Maintenance

This account is used to record repairs & maintenance of property, plant and equipment.

Debit this account for:

Cost of repairs and maintenance

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized

6118000 Advertising & Promotions

This account is used to record cost of handbills, pamphlets, billboards, brochures and give-aways, print advertisements, and other promotional materials or activities.

Debit this account for:
Cost of advertisements and promotions

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6119000 Bank Charges

This account is used to record all bank charges other than interest.

Debit this account for:
Bank charges

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6120000 Photocopies

This account is used to record costs for photocopying or reproduction of documents.

Debit this account for:
Photocopying costs

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6121000 Subscription and Periodicals

This account is used to record cost incurred for subscriptions of periodicals, newspapers, magazines and newsletters.

Debit this account for:
Costs incurred for the purchase or subscription of periodicals.

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6122000 Condominium Dues and Fees

This account is used to record all condominium dues and other related fees incurred.

Debit this account for
Condominium dues and other fees related thereto

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6123000 Taxes & Licenses

This account is used to record all taxes & licenses such as real property taxes, business permits, motor vehicles registration fees, privilege tax, firearms tax, gross receipts tax and other taxes excluding income taxes and VAT payables.

Debit this account for:
Taxes & licenses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6124000 Other Operating Expenses

This account is used to record other operating expenses which cannot be properly classified in the preceding expense accounts.

Debit this account for:
Cost of other operating expenses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6200000 Depreciation and Amortization

These accounts are used to record the periodic write-off of capital assets over the asset's useful life.

6201000 Depreciation – Leasehold Improvements

This account is used to record periodic allocations of costs of leasehold improvements with finite useful life.

Debit this account for:
Amortization expense for the period

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6202000 Depreciation - Building

This account is used to record the periodic allocation of the cost of building over its useful life.

Debit this account for:
Periodic depreciation of building

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6203000 Depreciation - Condominium

This account is used to record the periodic allocation of the cost of condominiums over its useful life.

Debit this account for:
Periodic depreciation of condominium

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6204000 Depreciation – Furniture, Fixtures and Equipment

This account is used to record the periodic allocation of the costs of furniture, fixtures and equipment over its useful life.

Debit this account for:
Periodic depreciation of furniture, fixtures and equipment

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6205000 Depreciation - Transportation Equipment

This account is used to record the periodic allocation of the costs of transportation equipment over its useful life.

Debit this account for:
Periodic depreciation of transportation and automotive equipment

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6206000 Depreciation – Revaluation

This account is used to record periodic allocation of appraisal increase on fixed assets over its useful life.

Debit this account for:
Periodic depreciation of appraisal increase of fixed assets

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6207000 Depreciation - Others-Property, Plant and Equipment

This account is used to record the periodic allocation of the costs of other fixed assets not included on the preceding accounts over its useful life.

Debit this account for:
Periodic depreciation of other fixed assets

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6208000 Amortization – Intangible Assets

This account is used to record periodic allocation of intangible assets over its finite useful life.

Debit this account for:
Periodic amortization of intangible assets

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6300000 Provision for Credit Losses

6301000 Provision for Credit Losses – Receivables from Customers – Cash Accounts

This account is used to record bad and doubtful accounts of customers maintaining cash accounts estimated in accordance with SEC Circular, industry or PFRS.

Debit this account for:
Recognition of credit losses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6302000 Provision for Credit Losses – Receivables from Customers – Margin Accounts

This account is used to record bad and doubtful accounts of customers maintaining margin accounts estimated in accordance with SEC Circular, industry or PFRS.

Debit this account for:
Recognition of credit losses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6303000 Provision for Credit Losses – Other Trade Receivables

This account is used to record bad and doubtful accounts of the parties in a trade-related activity estimated in accordance with SEC Circular, industry or PFRS.

Debit this account for:
Recognition of credit losses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6400000 Impairment Losses

6401000 Impairment Losses – Investments

This account is used to record the amount by which the carrying amount of an investment exceeds its estimated recoverable amount. The recoverable amount must be estimated if there is evidence that suggests an asset is impaired.

Debit this account for:
Recognition of impairment losses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6402000 Impairment Losses – Investment Property

This account is used to record the amount by which the carrying amount of an investment property exceeds its estimated recoverable amount. The recoverable amount must be estimated if there is evidence that suggests an asset is impaired.

Debit this account for:
Recognition of impairment losses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6403000 Impairment Losses – Property, Plant and Equipment

This account is used to record the amount by which the carrying amount of a property, plant and equipment exceeds its estimated recoverable amount. The recoverable amount must be estimated if there is evidence that suggests an asset is impaired.

Debit this account for:
Recognition of impairment losses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6404000 Impairment Losses – Intangible Assets

This account is used to record the amount by which the carrying amount of an intangible asset exceeds its estimated recoverable amount. The recoverable amount must be estimated if there is evidence that suggests an asset is impaired.

Debit this account for:
Recognition of impairment losses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6405000 Impairment Losses – Other Non-Current Asset

This account is used to record the amount by which the carrying amount of other non-current asset exceeds its estimated recoverable amount. The recoverable amount must be estimated if there is evidence that suggests an asset is impaired.

Debit this account for:
Recognition of impairment losses

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6500000 Interest expense

This account is used to record the amount of interest incurred on loans and other borrowings.

Debit this account for:
Interest incurred for the period including accruals

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6600000 Miscellaneous Expense

This account is used to record all other expenses not accounted for in other accounts.

Debit this account for:
Expenses incurred

Credit this account for:
Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6700000 Provision for Income Tax

6701000 Provision for Income Tax – Regular Corporate Income Tax (RCIT)

This account is used to record tax payable for the fiscal/calendar year, except to the extent that the tax arises from a transaction or event which is recognized in the same or different period directly in equity and in a business combination, if that is an acquisition.

Debit this account for:

Recognition of current income tax for the taxable period, except to the extent that the tax arises from a transaction or event which is recognized in the same or different period directly in equity and in a business combination, if that is an acquisition

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6702000 Provision for Income Tax - Deferred

This account is used to record the provision for income tax deferred in respect of taxable temporary differences, except to the extent that the tax arises from a transaction or event which is recognized in the same or different period directly in equity and in a business combination, if that is an acquisition.

Debit this account for:

Deferred portion of the income tax expense in respect of taxable temporary differences, except to the extent that the tax arises from a transaction or event which is recognized in the same or different period directly in equity and in a business combination, if that is an acquisition

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6703000 Provision for Income Tax – Minimum Corporate Income Tax (MCIT)

This account is used to record tax applied whenever the corporation has zero or negative taxable income or when the amount of the MCIT is greater than the normal income tax due. This shall be accounted for in accordance with Revenue Regulation 9-98.

Debit this account for:

Record applicable MCIT for the year

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)
Any reversal or adjustment made in the same year the expense was recognized

6704000 Provision for Income Tax – Final

This account is used to record final corporate tax applied to the corporation's income subject to final tax.

Debit this account for:

Record applicable corporate final tax for the year

Credit this account for:

Closing of expense at the end of financial year to retained earnings/(deficit)

Any reversal or adjustment made in the same year the expense was recognized