

NOTICE

Notice is hereby given that the Commission *en Banc* in its meeting on 11 August 2016 resolved to adopt the following new standard, amendments to the existing standards¹ and interpretations as part of SEC's rules and regulations on financial reporting:

Title	Brief Description
Amendments to Philippine Accounting Standard (PAS) 16 and PAS 38, Clarification of Acceptable Methods of Depreciation and Amortization	The amended standard shall be applied for annual periods beginning on or after January 1, 2016 prospectively . Earlier application is permitted.
Amendments to PAS 16 and PAS 41, Agriculture: Bearer Plants	The amended standard shall be applied for annual periods beginning on or after January 1, 2016 retrospectively . Earlier application is permitted.
Amendments to PAS 19, Defined Benefit Plans: Employee Contributions	The amended standard shall be applied for annual periods beginning on or after July 1, 2014 retrospectively . Earlier application is permitted.
Amendments to PAS 27, Equity Method in Separate Financial Statements	The amended standard shall be applied for annual periods beginning on or after January 1, 2016 retrospectively . Earlier application is permitted.
Philippine Financial Reporting Standard (PFRS) 9, Financial Instruments (2014)	The standard shall be applied for annual periods beginning on or after January 1, 2018 . Earlier application is permitted. PFRS 9 (2014) supersedes PFRS 9 (2009), PFRS 9 (2010), PFRS 9 (2013) and Philippine Interpretation IFRIC-9, <i>Reassessment of Embedded Derivatives</i> . However, for annual periods beginning before January 1, 2018, an entity may elect to apply those earlier versions of PFRS 9 instead of applying this standard if, and only if, the entity's relevant date of initial application is before February 1, 2015.

¹ These are being adopted from the International Financial Reporting Standards issued by the International Accounting Standards Board.

Title	Brief Description
PFRS 9, Financial Instruments (Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39)	<p>An entity may elect to early adopt the requirements in PFRS 9 for presentation of gains and losses on financial liabilities designated at fair value through profit or loss without applying the other requirements in PFRS 9.</p> <p>Entities are no longer required to apply PFRS 9 on January 1, 2015 but may choose to apply PFRS 9 immediately.</p> <p>This standard supersedes PFRS 9 adopted in May 2010 (classification and measurement requirements for financial assets), PFRS 9 adopted in November 2010 (classification and measurement requirements for financial liabilities) and Philippine Interpretation International Financial Reporting Interpretations Committee (IFRIC)-9, Reassessment of Embedded Derivative. However, an entity may elect to apply PFRS 9 adopted in May 2010 or PFRS 9 adopted in November 2010 instead of applying this standard.</p>
Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>The amended standard shall be applied prospectively to transactions occurring in annual periods beginning on or after January 1, 2016. Earlier application is permitted.</p>
Amendment to PFRS 11, Accounting for Acquisitions of Interest in Joint Operations	<p>The amended standard shall be applied for annual periods beginning on or after January 1, 2016 prospectively. Earlier application is permitted.</p>
PFRS 14, Regulatory Deferral Accounts	<p>An entity shall apply this standard if its first annual PFRS financial statements are for a period beginning on or after January 1, 2016. Earlier application is permitted.</p>
Annual Improvements to PFRSs 2010-2012 Cycle	<p>The effective date of each amendment is included in the PFRSs affected.</p>
Annual Improvements to PFRSs 2011-2013 Cycle	<p>The effective date of each amendment is included in the PFRSs affected.</p>
Annual Improvements to PFRSs 2012-2014 Cycle	<p>The amendments shall be effective for annual period beginning on or after January 1, 2016. Earlier application is permitted.</p>
2015 Amendments to the PFRS for SMEs	<p>The amended standard shall be applied for annual period beginning on or after January 1, 2017. Earlier application is permitted.</p>

Title	Brief Description
Philippine Interpretations Committee (PIC) Q&A	PIC Q&A No. 2013-02: <i>Conforming Changes to PIC Q&As-Cycle 2013</i> The effective date of the amendments is included in the Q&A's affected.
	Revised PIC Q&A No. 2013-03: <i>PAS 19 - Accounting for Employee Benefits under a Defined Contribution Plan subject to Requirements of Republic Act 7641, The Philippine Retirement Law (RA 7641)</i> The consensus in this Q&A is effective for annual financial statements with period beginning January 1, 2014 and should be applied retrospectively following the provisions of PAS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> .

All of the foregoing new standard, amendment to the existing standards, and interpretations have been adopted by the Philippine Financial Reporting Standards Council and Philippine Interpretations Committee, approved by the Board of Accountancy and Professional Regulation Commission on various dates and published in the Official Gazette on various dates.

Issued this 17th day of August 2016 at Mandaluyong City, Philippines.

For the Commission:


TERESITA J. HERBOSA
 Chairperson