



**Republic of the Philippines**  
**Department of Finance**  
**Securities and Exchange Commission**  
 SEC Bldg. EDSA, Greenhills, Mandaluyong City

## NOTICE

Notice is hereby given that the Commission *en Banc* in its meeting on 24 May 2012 resolved to adopt the following standards<sup>1</sup> and interpretation as part of its rules and regulations on financial reporting:

Title	Brief Description	Effectivity
<b>Amendments to PFRS 1: Government Loans</b>	<p>The amendments add an exception to the retrospective application of PFRSs. First-time adopters are required to apply the requirements in PFRS 9, <i>Financial Instruments</i> (If PFRS 9 is not yet adopted, references to PFRS 9 in the amendments shall be read as references to PAS 39, <i>Financial Instruments: Recognition and Measurement</i>) and PAS 20, <i>Accounting for Government Grants and Disclosure of Government Assistance</i> prospectively to government loans existing at the date of transition to PFRSs.</p> <p>A first-time adopter may apply the requirements of PFRS 9 and PAS 20 to government loans retrospectively if it has obtained the necessary information to do so.</p>	<p>The amended standard shall be applied for annual periods beginning on or after <b>January 1, 2013</b>.</p> <p>Earlier application is permitted.</p>
<b>Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities</b>	<p>The amendment involves the revision of the required disclosures to include information that will enable users to evaluate the effect or potential effect of netting arrangements on an entity's financial position.</p> <p>An entity shall provide the disclosures required by the amendments retrospectively.</p>	<p>The amended standard shall be applied for annual periods beginning on or after <b>January 1, 2013</b> and interim periods within those annual periods.</p>
<b>Amendments to PFRS 9 and PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures</b>	<p>The amendments involve the following:</p> <p>(a) Change of the original 01 January 2013 mandatory effective date of PFRS 9 to 01 January 2015;</p> <p>(b) Modification of the relief from restating prior periods; and</p>	<p>The amended standards shall be applied for annual periods beginning on or after <b>January 1, 2015</b>.</p> <p>Earlier application is permitted.</p>

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

Title	Brief Description	Effectivity
	(c) Additional required disclosures on transition from PAS 39, <i>Financial Instruments: Recognition and Measurement</i> to PFRS 9.	
<b>Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities</b>	This amendment provides an additional application guidance for offsetting in accordance with PAS 32. It clarifies the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	The amended standard shall be applied for annual periods beginning on or after <b>January 1, 2014</b> and should be applied retrospectively.  Earlier application is permitted.
<b>IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine</b>	This interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ('production stripping costs') and provides guidance on the recognition of production stripping costs as an asset and measurement of the stripping activity asset.	This interpretation shall be applied annual periods beginning on or after <b>January 1, 2013</b> prospectively.  Earlier application is permitted.

The foregoing standards and interpretation shall be applicable to corporations which are considered by the Commission as large corporations and/or publicly-accountable entities that are mandated to adopt the Philippine Financial Reporting Standards as their financial reporting framework.

The International Accounting Standards Board provides access<sup>1</sup> through its website at [www.ifrs.org](http://www.ifrs.org), for the unaccompanied<sup>2</sup> standards and interpretations.

Issued this 28<sup>th</sup> day of May 2012, at Mandaluyong City, Philippines.

For the Commission:



**TERESITA J. HERBOSA**  
Chairperson

<sup>1</sup> The access is subject to registration requirements and copyright limitations.

<sup>2</sup> These do not include illustrative examples, implementation guidance, and bases for conclusions.