

IASCA Newsletter

February 2016 - Issue 15

YOUR GATE TO ACCOUNTING, AUDITING AND CODE OF ETHICS

IN THIS ISSUE

Abu-Ghazaleh Inaugurates a Discussion Session on USAID's Role in the Development of Economy and Education in Jordan **1**

IASCA Holds IFRS Expert Examination **2**

IASB Issues Narrow-scope Amendments to IAS 12 Income Taxes **3**

IPSASB Publishes Exposure Draft 60 on Public Sector Combinations **3**

A report issued by the International Federation of Accountants® (IFAC®) "Patchwork Regulation Threatens Global Growth and Stability" **4**

Investor Perspectives - A New Lease of Life **5**

The IACPA Examination Results of December 2015 **5**

Abu-Ghazaleh Inaugurates a Discussion Session on USAID's Role in the Development of Economy and Education in Jordan



Barnhart: Jordan is the second largest beneficiary country, after Afghanistan, receiving assistance from USAID

AMMAN – Under the patronage of HE Dr. Talal Abu-Ghazaleh, chairman of Talal Abu-Ghazaleh Organization (TAG-Org) and with the attendance of high-profile economic and education leaders in Jordan, the Economic Policy Development Forum hosted Dr. Jim Barnhart, USAID Mission Director for Jordan in a discussion session held at Talal Abu-Ghazaleh Knowledge Forum.

Dr. Abu-Ghazaleh expressed gratitude to Dr. Barnhart, and stressed on the important role played by the USAID in supporting and developing economic and education sectors over the years in Jordan.

Dr. Barnhart thanked Dr. Abu-Ghazaleh for the invitation, and noted that the

partnership between the US and Jordan has existed for more than six decades, and that the USAID programs provided by the US have been in Jordan since 1957.

He stated that Jordan is the second largest country, after Afghanistan, that benefits from assistance provided by the USAID. He added that there are programs that cover green energy, Information and Communications Technology, tourism, financial reforms, and most notably education, which includes creativity, higher education, and teacher training. He also noted that the USAID focuses on the areas of the south and Maan in particular.

Dr. Barnhart added that Jordan is currently facing a new crisis, the presence

of the Syrian refugees that exhausted Jordan's various sectors and resources which made it necessary to implement new developing programs, such as the contribution in increasing the number of classrooms in order to accommodate refugee students.

He also reviewed various programs provided by the USAID which include family health, encouraging women to participate in the labor market, providing training on leadership to reach top positions for women in public sector, education through practice, developing the capacity of teachers, and cooperating with the Vocational Training Corporation to train workforce.

He stated that the USAID previously made mistakes by focusing on supply rather than demand with respect to developing youth capacity, but now it has changed its working pattern, and is currently seeking to work with a number of Chambers of Commerce in the Kingdom in order to link job seekers with available opportunities.

He added that tourism is one of the main sectors that contributes in the gross national income, therefore USAID, is cooperating with marketing companies to work on developing tourism and promoting touristic sites, besides working on SMEs issues, and linking companies with potential markets.

With respect to Maan, Dr. Barnhart stated that the USAID is focusing on training, and cooperating with vocational training centers in the fields of solar energy and loan financing for small enterprises.

He noted that the work of the USAID has a significant impact on Jordan, and has made some reforms pointing out the impact of the economic crisis of 2008 on Jordan, and the refugees' crisis that followed. He made it clear that the USAID's main goal is to work in the field of development.

During the session, participants called for focusing on programs that help Jordan achieve sustainable economic sufficiency.



IASCA Holds IFRS Expert Examination

RAMALLAH - IASCA held the International Financial Reporting Standards (IFRS) Expert examination at its headquarters in the city of Ramallah for the first time in Palestine. The examination was held for February 2016 course. It consisted of two sessions, the first session for the subjective questions, while the second session for the essay questions. The second examination will be held in August 2016.



IFRS Expert examination aims to build and develop the necessary knowledge capabilities related to the understanding of the theoretical and conceptual

aspect of the IFRS, develop the ability to professionally apply them in the practical accounting, assist in the ongoing professional development in the field of IFRS and follow up their amendments and updates.

It targets the accountants and financial managers responsible for the preparation of the financial reports, the auditors specialized in auditing and financial works, investment and banking sectors staff, in addition to the lecturers specialized in the field of the International Financial Reporting Standards.



IASB Issues Narrow-scope Amendments to IAS 12 Income Taxes



IAS 12 provides requirements on the recognition and measurement of current or deferred tax liabilities or assets. The amendments clarify the requirements on recognition of deferred tax assets for unrealized losses, to address diversity in practice.

Entities are required to apply the amendments for annual periods beginning on or after January 1, 2017. Earlier application is permitted.

The amendments to the Standard follow on from a recommendation by the International Financial Reporting Interpretations Committee® (the Interpretations Committee).

LONDON - The International Accounting Standards Board® (IASB) issued amendments to IAS 12 Income Taxes. The amendments, Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12), clarify how to account for deferred tax assets related to debt instruments measured at fair value.

The objective of this project is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. A revised draft amendment to IAS 12 Income Taxes was published for comment in August 2014.

IPSASB Publishes Exposure Draft 60 on Public Sector Combinations



NEW YORK - The International Public Sector Accounting Standards Board® (IPSASB®) released for comment Exposure Draft (ED) 60, Public Sector Combinations.

ED 60 classifies public sector combinations as either amalgamations or acquisitions taking into account control and other factors. A party to the combination must gain control over an operation for it to be treated as an acquisition rather than an amalgamation, but control is not sufficient in itself to determine that a combination is an acquisition.

Instead, gaining of control over an operation creates a rebuttable presumption that the combination is an acquisition. If the acquisition presumption is rebutted, then the transaction is treated as an amalgamation. This approach is different to that proposed in the IPSASB's 2012 Consultation Paper (CP), Public Sector Combinations, and addresses concerns raised by stakeholders in their responses to that CP.

For recognition and measurement of amalgamations, ED 60 proposes use of the "modified pooling of interests" method of accounting. This method, also referred to as "merger accounting", recognizes the amalgamation on the date it takes place. For acquisitions, ED 60 proposes use of the "acquisition" method of accounting, applying the same approach as in IFRS 3, Business Combinations. This is supplemented with guidance for public sector-specific situations.

"Public Sector Combinations has been a very challenging project for our board," said IPSASB Chair Ian Carruthers. "The main concern that emerged from submissions to the 2012 IPSASB Consultation Paper was that respondents did not agree that acquisition accounting, as prescribed by IFRS 3, Business Combinations, is appropriate for all combinations in the public sector. Addressing this concern by identifying the factors that distinguish an amalgamation from an acquisition has proved difficult. However, I believe we have now achieved this. We look forward to receiving constituents' views on our proposals."

How to Comment

To access the ED and the At-a-Glance document, which

provides a summary of the ED, or to submit a comment, please visit the IPSASB website at www.ipsasb.org. Comments on the ED are requested by June 30, 2016. The IPSASB encourages IFAC members, associates, and regional accountancy organizations to promote the availability of this ED to their members and employees.

IPSASB Chair Ian Carruthers and IPSASB Technical Manager Paul Mason will host a webinar on March 7, 2016, at 10 a.m. EST to discuss the Exposure Draft. This will provide participants with an opportunity to ask questions and get additional information.

A report issued by the International Federation of Accountants® (IFAC®) “Patchwork Regulation Threatens Global Growth and Stability”



NEW YORK – A report on global regulation issued by the International Federation of Accountants® (IFAC®) calls for political leaders and governments around the world to follow ten principles for consistent, high-quality global regulation, to aid global economic growth.

The ten principles were identified by 30 senior executives and experts from regulatory agencies, financial markets, government, academia, listed companies, investment funds, and the accounting profession at a roundtable in Hong Kong convened by IFAC in partnership with the Hong Kong Institute of Certified Public Accountants (HKICPA). The principles are intended to help guide regulators toward better decisions and protect the global economy from the dangers posed by a patchwork approach to regulation.

While business and finance are increasingly global, roundtable participants warned that important regulation is not. Instead, it is frequently focused on national interests, which can create barriers and impediments to inclusive growth and jeopardize global financial stability.

“This clear signal from a broad, non-partisan group in one of the world’s most important trading centers highlights the urgent need for a more globally consistent approach to regulation,” said Fayez Choudhury, IFAC Chief Executive Officer. “We need a clear change in the will - and resources available - for international regulatory cooperation.

“The current fragmentation is creating a regulatory environment that encourages more risky trading and financing activities in often unregulated domains, and allows for the exploitation of gaps in regulation globally,” Choudhury said.

Several actions were discussed to foster a more integrated global regulatory framework that can create a better environment for economic growth:

Stronger systems and incentives for cross-border regulatory collaboration and cooperation.

- Beyond consultation within the regulatory community, lack of resources and different national financial ecosystems make true collaboration with a broader set of stakeholders a challenge.
- Greater incentives are required before regulators can look beyond national interest, and consider long-term, global implications of regulation.

Systematic review of regulations to determine whether implementation and impact match expectations.

- Current regulatory systems often focus on writing regulation rather than evaluating effectiveness. Not all existing regulations are implemented in practice.
- Rapid change in business and financial markets requires continued flexibility. Much regulation is outdated by the time it is implemented, often years after originally proposed.
- Independent oversight of regulation would allow collaborative discussion and better analysis of costs and benefits.

10 clear principles for high quality financial regulation rather than a reactive response.

- To serve the public interest, regulation needs to be evidence-based, proportionate, appropriately resourced, collaboratively developed/implemented, consistent, subject to active oversight, systematically reviewed, have clear objectives, and be properly targeted and enforced to address intended issues.
- They must be developed in consultation with the public, and affected constituencies.

About IFAC

IFAC is the global organization for the accountancy profession, dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. It is comprised of more than 175 members and associates in 130 countries and jurisdictions, representing almost 3 million accountants in public practice, education, government service, industry, and commerce.

Investor Perspectives—A New Lease of Life

LONDON - Earlier this month, the International Accounting Standards Board (the Board) issued a new accounting Standard, IFRS 16 Leases. This new Standard substantially changes lessee accounting.



In our latest article, Sue Lloyd, a member of the Board, discusses some of the key changes to financial statements that investors will see when companies apply the accounting requirements. The article provides context for the new requirements by comparing them to future US GAAP requirements and those detailed in former IFRS Standards. An illustrative example is also included for this purpose. For more details [click here](#)

The IACPA Examination Results of December 2015



AMMAN - The International Arab Society of Certified Accountants (IASCA) announced the Examination Results of the International Arab Certified Public Accountant (IACPA)- December 2015 cycle.

A significant number of students sat for the IACPA exams from around the Arab world, 15% out of the students successfully passed the exams.

It is worthy to mention that the International Arab Society of Certified Accountants (IASCA) has started to apply the system of holding the IACPA examinations twice a year, under which two cycles are held during 2016 in May and December.

IASCA Management congratulates the successful students and wishes success in the next cycle to those who did not pass.



FOR MORE INFORMATION

Tel: (0962-6) 5100900

Fax: (0962-6) 5100901

Or you may reach us electronically through our website:
ascasociety.org

And our emails:

asca.jordan@iascasociety.org

salouri@iascasociety.org

www.facebook.com/ASCAsociety

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

© IASCA 2016

Reproduction is permitted provided
that the source is acknowledged.

