



PROFESSIONAL REGULATORY BOARD OF ACCOUNTANCY

Resolution No. 58

Series of 2024

ADOPTING THE FINANCIAL AND SUSTAINABILITY REPORTING
STANDARDS COUNCIL AMENDMENTS AND PRONOUNCEMENTS

WHEREAS, the Financial and Sustainability Reporting Standards Council (FSRSC) has approved and submitted hereunder pronouncements to the Professional Regulatory Board of Accountancy (Board) for approval:

1. *Philippine Interpretations Committee (PIC) Q&A No. 2024-02: Conforming Changes to PIC Q&As - Cycle 2024;*
2. *Compilation of PIC Q&As as of June 2024;*
3. *Financial Reporting Guidance as of June 2024;*
4. *PFRS 19, Subsidiaries without Public Accountability: Disclosures;*
5. *Amendments to PFRS 9 and PFRS 7, Amendments to the Classification and Measurement of Financial Instruments.*

WHEREAS, after study and review of the provisions of the above-stated pronouncements as adopted by the FSRSC, the Board finds them to be well-taken and instructive for compliance by practicing Certified Public Accountants;

WHEREFORE, the Board **RESOLVES**, as it is hereby **RESOLVED**, to adopt the above-stated pronouncements as part of the Philippine Accounting Standards.

RESOLVED FURTHER, that this Resolution and the above-stated pronouncement shall take effect after fifteen (15) days following its publication in the Official Gazette or in any newspaper of general circulation in the Philippines.

Let a copy of this Resolution be furnished the University of the Philippines Law Center.

Done in the City of Manila, this 10th day of October, 2024.


NOE G. QUINANOLA
Chairman


SAMUEL B. PADILLA
Vice-Chairman


GLORIA T. BAYSA
Member


THELMA S. CIUDADANO
Member


GERVACIO I. PIATOR
Member


MARIA TERESITA Z. DIMACULANGAN
Member

VACANT
Member

PROFESSIONAL REGULATORY BOARD OF ACCOUNTANCY

Resolution No. 58 (s. 2024)

Resolution Adopting the Financial and Sustainability Reporting
Standards Council (FSRSC) Amendments and Pronouncements
Page 2 of 2

ATTESTED:


Atty. Lovelika T. Bautista
Chief, PRB Secretariat Division

APPROVED:


CHARITO A. ZAMORA
Chairperson


JOSE Y. CUETO, JR.
Commissioner


ERWIN M. ENAD
Commissioner

Note: Attachment maybe downloaded at www.prc.gov.ph under PRB of
Accountancy Resolution. <https://www.prc.gov.ph/accountancy>

DATE OF PUBLICATION IN THE
BUSINESS MIRROR: 23 OCTOBER 2024
EFFECTIVE DATE: 08 NOVEMBER 2024



July 29, 2024

Hon. Noe G. Quiñanola

Chairman

Professional Regulatory Board of Accountancy

P. Paredes Street corner N. Reyes Street

Sampaloc, Manila

Dear Chairman Quiñanola:

The Financial and Sustainability Reporting Standards Council (FSRSC) on its meeting held on July 12, 2024 approved the following issuances:

- Philippine Interpretation Committee (PIC) Q&A 2024-02: Conforming Changes to PIC Q&As - Cycle 2024
- Compilation of PIC Q&As as of June 2024
- Financial Reporting Guidance as of June 2024
- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

We are submitting the aforementioned pronouncements to the Professional Regulatory Board of Accountancy (BOA) for approval.

Please provide us with a copy of the final Board Resolution approving the foregoing items.

Thank you for your continuing support in further enhancing the financial and sustainability reporting standards in the Philippines.

Very truly yours,


Wilson P. Tan
Chairman

PIC

Philippine Interpretations Committee

Q&A No. 2024-02: Conforming Changes to PIC Q&As – Cycle 2024

Introduction

This Q&A No. 2024-02 sets out the changes (i.e., amendments or withdrawal) to certain PIC Q&As. These changes are made as a consequence of the issuance of new Philippine Financial Reporting Standards (PFRSs) that become effective starting January 1, 2024 and other relevant developments. The consequential amendments are set out in the same section as the amended PIC Q&As attached to this Q&A No. 2024-02. In addition, a marked-up copy of the amended PIC Q&A showing the changes made (i.e., new text is underlined and deleted text is struck through) is attached as an appendix to the amended PIC Q&A.

The effective date of the amendments is included in the affected Q&As

PIC Q&As Amended

The following table summarizes the changes made to the amended PIC Q&As:

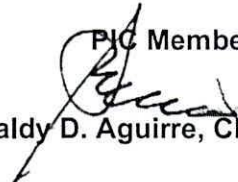
PIC Q&A Amended	Amendment
Q&A No. 2010 - 03: Current/non-current classification of a callable term loan	Updated to reflect amendment in PAS 1, paragraph 69(d.) which remove the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period.
Q&A No. 2019 – 11: Determining the current portion of an amortizing loan/lease liability	Updated to reflect amendment in PAS 1, paragraph 69(d.) which remove the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period.

Date approved by PIC: June 26, 2024

PIC


Philippine Interpretations Committee


PIC Members

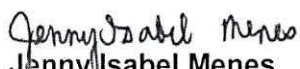

Zaldy D. Aguirre, Chairman


Emmanuel Y. Artiza


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Christian Francis S. Felismino



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Jayson P. Lopez



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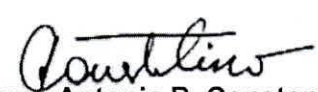

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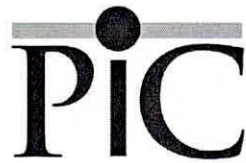

Maria Isabel E. Comedia


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Date approved by FSRSC: July 12, 2024



Philippine Interpretations Committee

Approved Q&As on Philippine Financial Reporting Standards

June 30, 2024



Philippine Interpretations Committee

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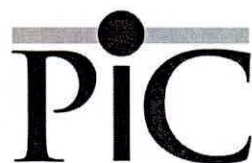
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Guidance on Financial Reporting

Q&As on Philippine Financial Reporting
Standards

June 2024



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***Subsidiaries without Public Accountability:
Disclosures
(PFRS 19)***

Subsidiaries without Public Accountability: Disclosures (PFRS 19)

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**FSRSC PREFACE TO SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY:
DISCLOSURES (PFRS 19)**

IASB SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES (IFRS 19)

**FSRSC PREFACE TO SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY:
DISCLOSURES (PFRS 19)**

1. The Financial and Sustainability Reporting Standards Council (FSRSC) has approved on July 12, 2024 the adoption of IFRS 19 *Subsidiaries without Public Accountability: Disclosures* issued by the International Accounting Standards Board (IASB) in May 2024 as PFRS 19 *Subsidiaries without Public Accountability: Disclosures*.
2. The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.
3. The standard will become effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. An entity is required, during the first period (annual and interim) in which it applies the standard, to disclose comparative information for current year amounts as required by PFRS 19, unless PFRS 19 or another PFRS accounting standard permits or requires otherwise.

* * * * *

FSRSC Members

Wilson P. Tan, Chairman

Samuel B. Padilla	Emilio B. Aquino
Lyn I. Javier	Beverly S. Milo
Carmelita O. Antasuda	Jayson P. Lopez
Gema O. Cheng	Michael D. Roxas
Gina S. Detera	June Cheryl A. Cabal-Revilla
Joselito G. Diga	Ester F. Ledesma
Henly S. Pahilagao	Janette R. Cruz
Lito Q. Martin	Elizabeth O. Batonan

IASB SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES (IFRS 19)

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THE DOCUMENTS LISTED BELOW ARE NOT INCLUDED HEREIN.

APPROVAL BY THE IASB OF IFRS 19 *SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES* ISSUED IN MAY 2024

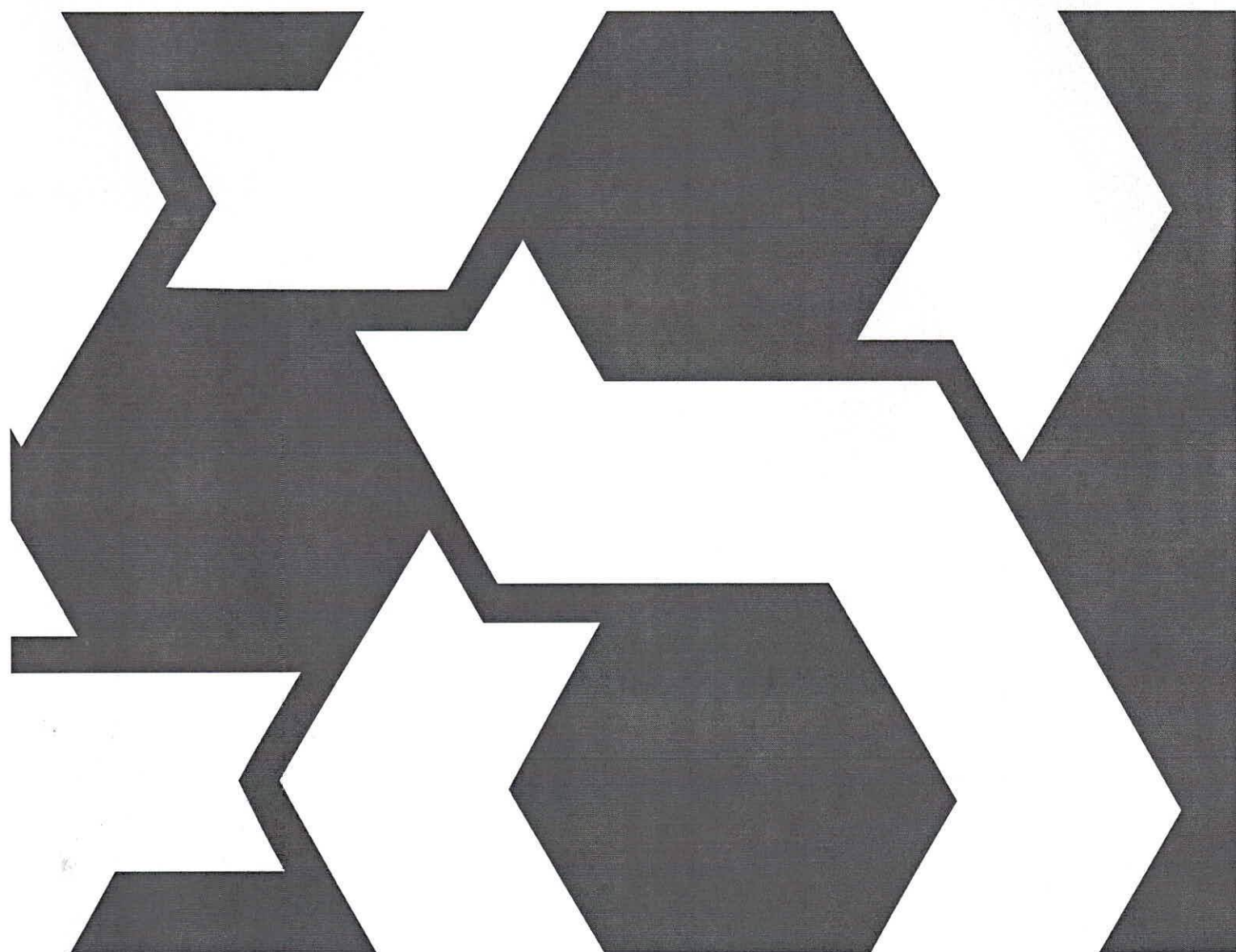
BASIS FOR CONCLUSIONS ACCOMPANYING IFRS 19 *SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY: DISCLOSURES*

May 2024

IFRS 19

IFRS[®] Accounting Standard

Subsidiaries without Public Accountability: Disclosures





***Amendments to the Classification and
Measurement of Financial Instruments
(Amendments to PFRS 9 and PFRS 7)***

Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and PFRS 7)

Contents

FSRSC PREFACE TO AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (AMENDMENTS TO PFRS 9 AND PFRS 7)

IASB AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (AMENDMENTS TO IFRS 9 AND IFRS 7)

FSRSC PREFACE TO AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (AMENDMENTS TO PFRS 9 AND PFRS 7)

1. The Financial and Sustainability Reporting Standards Council (FSRSC) has approved on July 12, 2024 the adoption of amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments* issued by the International Accounting Standards Board (IASB) in May 2024 as amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*.
2. The amendments:
 - Clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
 - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
 - Clarify the treatment of non-recourse assets and contractually linked instruments.
 - Require additional disclosures in PFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.
3. An entity shall apply the amendments for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. An entity is required to apply the amendments retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight.

* * * * *

FSRSC Members

Wilson P. Tan, Chairman

Samuel B. Padilla

Emilio B. Aquino

Lyn I. Javier

Beverly S. Milo

Carmelita O. Antasuda

Jayson P. Lopez

Gema O. Cheng

Michael D. Roxas

Gina S. Detera

June Cheryl A. Cabal-Revilla

Joselito G. Diga

Ester F. Ledesma

Henly S. Pahilagao

Janette R. Cruz

Lito Q. Martin

Elizabeth O. Batonan

IASB AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (AMENDMENTS TO IFRS 9 AND IFRS 7)

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APPROVAL BY THE IASB OF *AMENDMENTS TO THE CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS* ISSUED IN MAY 2024

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