

**PHILIPPINE INTERPRETATIONS COMMITTEE (PIC)  
QUESTIONS AND ANSWERS (Q&As)**

**Q&A No. 2020-01**

**Conforming Changes to PIC Q&As – Cycle 2020**

**Introduction**

This Q&A No. 2020-01 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, 2019 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. 2020-01. 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:

<b>PIC Q&amp;A Amended</b>	<b>Amendment</b>
Framework 4.1 and PAS 1.25 - Financial statements prepared on a basis other than going concern	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020.
Q&A No. 2016 - 03: Accounting for Common Areas and the Related Subsequent Costs by Condominium Corporations	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020.
Q&A No. 2011 - 03: Accounting for Inter-company Loans	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020.
Q&A No. 2017 – 08: PFRS 10 – Requirement to prepare consolidated financial statements where an entity disposes of its single investment in a subsidiary, associate or joint venture	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020.

PIC Q&A Amended	Amendment
Q&A 2018 – 14: PFRS 15 - Accounting for Cancellation of Real Estate Sales	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020.

**PIC Q&A Withdrawn**

The following table summarizes the basis and effective date of withdrawal of Q&As affected by new PFRSs and IFRIC agenda decision:

PIC Q&A Withdrawn	Basis for Withdrawal
PIC Q&A No. 2011-06: Acquisition of investment properties – asset acquisition or business combination?	With the amendment to PFRS 3 on the definition of a business effective January 1, 2020, there is additional guidance in paragraphs B7A-B12D of PFRS 3 in assessing whether acquisition of investment properties is an asset acquisition or business combination (i.e. optional concentration test and assessment of whether an acquired process is substantive).

Date approved by PIC: June 30, 2020

**PIC Members**

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Date approved by FRSC: August 19, 2020