Securities and Exchange Commission
PHILIPPINES

SEC Memorandum Circular No. 6
Series of 2018

SUBJECT : ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS TO EXISTING ACCOUNTING STANDARDS

The Commission, in its meeting held on April 5, 2018, approved the adoption of the following pronouncements as part of SEC's rules and regulations on financial reporting:

Title	Brief Description
Philippine Financial Reporting Standard (PFRS) 16, *Leases*	An entity shall apply this standard for annual periods **beginning on or after January 1, 2019**. Earlier application is **not** permitted until the Financial Reporting Standards Council (FRSC) has adopted International Financial Reporting Standard (IFRS) 15, the new revenue recognition standard. Once adopted, earlier application of PFRS 16 is permitted if the entity has adopted the new revenue recognition standard.
Disclosure Initiative [Amendments to Philippine Accounting Standard (PAS) 7]	An entity shall apply the amendments for annual periods **beginning on or after January 1, 2017.** Earlier application is permitted.
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to PAS 12)	An entity shall apply the amendments retrospectively for annual periods **beginning on or after January 1, 2017**. Earlier application is permitted.

All of the foregoing pronouncements have been adopted by the Philippine Financial Reporting Standards Council as approved by the Board of Accountancy and Professional Regulation Commission and published in the Official Gazette.

Issued this 06 day of April 2018 at Pasay City, Philippines.

For the Commission:

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