Securities and Exchange Commission
PHILIPPINES

SEC Memorandum Circular No. 10
Series of 2017

SUBJECT : ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Commission, in its meeting held on 15 August 2017, approved the adoption of the following pronouncements as part of SEC's rules and regulations on financial reporting:

Title	Brief Description
Amendments to Philippine Financial Reporting Standards (PFRS) 4, *Applying PFRS 9, Financial Instruments with PFRS 4, Insurance Contracts*	The amendments will become effective for annual periods **beginning on or after January 1, 2018**. Early adoption of the amendment is permitted if an entity adopts PFRS 9 early. The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9.
PFRS 15, *Revenue from Contracts with Customers*	An entity shall apply this standard for annual reporting periods **beginning on or after January 1, 2018**. Earlier application is permitted.
Clarifications to PFRS 15, *Revenue from Contracts with Customer*	An entity shall apply the amendments for annual reporting periods **beginning on or after January 1, 2018.** Earlier application is permitted.
PIC Questions and Answers (Q&A) No. 2016-01: *Conforming Changes to PIC Q&As-Cycle 2016*	This Q&A No. 2016-01 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 PFRS and amendments to certain existing PFRS that are effective as of December 31, 2015. The consequential amendments are set out in the same section as the amended PIC Q&As attached to this Q&A No. 2016-01. **The effective date of the amendments is included in the Q&As affected.**
PIC Questions and Answers (Q&A) No. 2016-04: *Application of PFRS 15 "Revenue from Contracts with Customers" on Sale of Residential Properties*	This guidance should be read in conjunction with the respective applicable accounting standards specifically, PFRS 15 "Revenue from Contracts with Customers". This Q&A applies to the accounting for revenue from the

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under Pre-Completion Contracts	sale of a residential property unit under pre-completion stage (i.e., construction is on-going or has not yet commenced) by a real estate developer that enters into a Contact to Sell (CTS) with a buyer, and the developer has determined that the contract is within the scope of PFRS 15 by satisfying all the criteria in paragraph 9 of PFRS 15. **The consensus in this Q&A is effective on the same date as the effective date of PFRS 15, *Revenue from Contracts with Customers.***

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

Issued this 29 day of August 2017 at Pasay City, Philippines.

For the Commission:

TERESITA J. HERBOSA
Chairperson