Securities and Exchange Commission
PHILIPPINES

SEC Memorandum Circular No. 1
Series of 2022

SUBJECT : ADOPTION OF PHILIPPINE STANDARDS ON AUDITING (PSAs) and PHILIPPINE FINANCIAL REPORTING STANDARDS (PFRSs)

The Commission, in its meeting held on 27 January 2022, approved the adoption of the following pronouncements as part of SEC's rules and regulations on financial reporting:

A. PSAs

Pronouncement	Effectivity date
1. PSA 250 (Revised) Consideration of Laws and Regulations in an Audit of Financial Statements including Related Conforming Amendments to Other Philippine Standards	Effective for audits of financial statements for periods beginning on or after December 15, 2020.
2. PSA 540 (Revised) Auditing Accounting Estimates and Related Disclosures and Conforming and Consequential Amendments to Other Philippine Standards Arising from PSA 540 (Revised)	Effective for audits of financial statements for periods beginning on or after December 15, 2020.
3. Philippine Standard on Auditing 315 (Revised 2019), Identifying and Assessing the Risks of Material Misstatement and, Conforming and Consequential Amendments to Other Philippine Standards Arising from PSA 315 (Revised 2019)	Effective for audits of financial statements for periods beginning on or after December 15, 2021.
4. Philippine Standard on Related Services 4400 (Revised), Agreed-upon Procedures Engagements	Effective for agreed-upon procedures engagements for which the terms of engagement are agreed on or after January 1, 2022.

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Manila Standard, 3 February 2022
Business Mirror, 3 February 2022

Filed with UP Law Center: 31 January 2022

Pronouncement	Effectivity date
5. Suite of Quality Standards	
a. Philippine Standard on Quality Management 1 (Previously Philippine Standard on Quality Control 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements	Effective as of December 15, 2022.
b. Philippine Standard on Quality Management 2, Engagement Quality Reviews	Effective for audits and reviews of financial statements for periods beginning on or after December 15, 2022; and effective for other assurance and related services engagements beginning on or after December 15, 2022.
c. Philippine Standard on Auditing 220 (Revised), Quality Management for an Audit of Financial Statements	Effective for audits of financial statements for periods beginning on or after December 15, 2022.

B. PFRSs

Pronouncement	Effectivity date
1. Annual Improvements to PFRS Standards 2018–2020	Effective for annual periods beginning on or after January 1, 2022.
2. Amendments to PAS 1, Classification of Liabilities as Current or Non-current	Effective for annual periods beginning on or after January 1, 2023.
3. Amendments to PAS 16, Property, Plant and Equipment: Proceeds before Intended Use	Effective for annual periods beginning on or after January 1, 2022.
4. Amendments to PAS 37, Onerous Contracts – Costs of Fulfilling a Contract	Effective for annual periods beginning on or after January 1, 2022.
5. Amendments to PFRS 17, Insurance Contracts	Effective for annual periods beginning on or after January 1, 2023.
6. Amendments to PFRS 3, Reference to the Conceptual Framework	Effective for annual periods beginning on or after January 1, 2022.

Pronouncement	Effectivity date
7. Amendments to PFRS 16, Covid-19-Related Rent Concessions beyond 30 June 2021	Effective for annual periods beginning on or after April 1, 2021.
8. Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies	Effective for annual periods beginning on or after January 1, 2023.
9. Amendments to PAS 8, Definition of Accounting Estimates	Effective for annual periods beginning on or after January 1, 2023.
10. Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Effective for annual periods beginning on or after January 1, 2023.

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

Issued this 27 January 2022 at Pasay City, Philippines.

For the Commission:

EMILIO B. AQUINO
Chairman