Securities and Exchange Commission
PHILIPPINES

SEC Memorandum Circular No. 8
Series of 2020

SUBJECT : ADOPTION OF ACCOUNTING STANDARDS AND PHILIPPINE INTERPRETATIONS COMMITTEE QUESTIONS AND ANSWERS (PIC Q&As)

The Commission, in its meeting held on 12 March 2020, approved the adoption of the following pronouncements as part of SEC's rules and regulations on financial reporting:

A. Accounting Standards

Pronouncement	Effectivity date
PFRS 17, Insurance Contracts	Effective for annual periods beginning on or after January 1, 2021.
Amendments to PAS 19, Plan Amendment, Curtailment or Settlement	Effective for annual periods beginning on or after January 1, 2019.
Annual Improvements to PFRSs 2015-2017 Cycle	Effective for annual periods beginning on or after January 1, 2019.
Amendments to PFRS 3, *Definition of a Business*	Effective for annual periods beginning on or after January 1, 2020.
Amendments to PAS 1 and PAS 8, *Definition of Material*	Effective for annual periods beginning on or after January 1, 2020.
Philippine Interpretation IFRIC 23, *Uncertainty over Income Tax Treatments*	Effective for annual periods beginning on or after January 1, 2019.

Published:
Philippine Daily Inquirer, March 21, 2020
Philippine Star, March 21, 2020

B. PIC Q&As

Pronouncement	Effectivity date
PIC Q&A No. 2018-01, PAS 8 - Voluntary changes in accounting policy	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-02, *PAS 36 - Non-controlling interests and goodwill impairment test*	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-*PFRS 13, PAS 16 and PAS 36 - Fair value of property, plant and equipment and depreciated replacement cost*	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-04, PAS 41 - Inability to measure fair value reliably for biological assets within the scope of PAS 41, Agriculture	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-05, PAS 37 - Liability arising from maintenance requirement of an asset held under a lease	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-06, PAS 27 - Cost of investment in subsidiaries in separate financial statements when pooling is applied in consolidated financial statements	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-07, PAS 27 and PAS 28 - Cost of an associate, joint venture, or subsidiary in separate financial statements	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-08, PFRS 10 and PFRS 3 - Accounting for the acquisition of a non-wholly owned subsidiary that is not a business	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-09, PAS 21 - Classification of deposits and progress payments as monetary or nonmonetary items	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-10, PAS 2 - Scope of disclosure of inventory write-downs	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-11, *Classification of land by real estate developer*	The consensus in this Q&A is effective from the date of the approval by the FRSC.
PIC Q&A No. 2018-13, *Conforming Changes to PIC Q&As – Cycle 2018*	The effective date of the amendments is included in the affected Q&As.
PIC Q&A No. 2018-14, *PFRS 15 -*	The effective date and transition

Pronouncement	Effectivity date
Accounting for Cancellation of Real Estate Sales[1]	provision of this Q&A follow those of PFRS 15 Appendix C, upon approval by the FRSC.
PIC Q&A No. 2018-15, *PAS 1- Classification of Advances to Contractors in the Nature of Prepayments: Current vs. Non-current*	The consensus in this Q&A is effective from the date of approval of the FRSC and should follow the provisions under PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
PIC Guidance of Financial Reporting *June 2018*	The effective date of the amendments is included in the Q&As affected.

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

Issued this 12 March 2020 at Pasay City, Philippines.

For the Commission:

EMILIO B. AQUINO
Chairman

[1] **Deferred by SEC until December 31, 2020**