Securities and Exchange Commission
PHILIPPINES

SEC Memorandum Circular No. 1
Series of 2024

SUBJECT: ADOPTION OF PHILIPPINE FINANCIAL REPORTING STANDARDS (PFRSs) and PHILIPPINE INTERPRETATIONS COMMITTEE QUESTIONS AND ANSWERS (PIC Q&As)

The Commission, in its meeting held on January 25, 2024, approved the adoption of the following pronouncements as part of SEC's rules and regulations on financial reporting:

Pronouncement	Effectivity date
1. Amendments to PFRS 9 Financial Instruments, PAS 39 Financial Instruments: Recognition and Measurement, PFRS 7 Financial Instruments: Disclosures, PFRS 4 Insurance Contracts and PFRS 16 Leases, Interest Rate Benchmark Reform—Phase 2	Effective for annual period beginning on or after January 1, 2021
2. Amendments to PFRS 16, Lease Liability in a Sale and Leaseback	Effective for annual period beginning on or after January 1, 2024
3. Amendments to PAS 1, Non-current Liabilities with Covenants	Effective for annual period beginning on or after January 1, 2024
4. Amendments to PAS 12, International Tax Reform- Pillar Two Model Rules	Effective for annual period beginning on or after January 1, 2023
5. Amendments to PAS 7 and PFRS 7, Supplier Finance Arrangements	Effective for annual period beginning on or after January 1, 2024
6. Amendments to PAS 21, Lack of Exchangeability	Effective for annual period beginning on or after January 1, 2025

Published:
Philippine Daily Inquirer, 1 February 2024
Philippine Star, 1 February 2024

Filed with UP Law Center: 1 February 2024

Pronouncement	Effectivity date
7. Amendments to the PFRS for SMEs Standard, International Tax Reform—Pillar Two Model Rules	Effective for annual period beginning on or after January 1, 2023
8. PIC Q&A No. 2022-01: Use of Going Concern Basis by an Absorbed Entity in a Merger Transaction	Effective upon approval by the FSRSC. Published in the Official Gazette and effective on May 22, 2022.
9. PIC Q&A No. 2022-02: Amendment to PAS 1 Accounting Policy Disclosures	Effective upon approval by the FSRSC. Published in the Official Gazette and effective on May 22, 2022.
10. PIC Q&A No. 2022-03: Conforming Changes to PIC Q&As Cycle 2022	Effective for annual period beginning on or after January 1, 2022.
11. PIC Compilation of Q&As as of June 30, 2022	This is just a compilation of PIC Q&As and each PIC Q&A has an indicated effective date.
12. PIC Guidance on Financial Reporting as of June 30, 2022	This publication provides guidance on recurring financial reporting issues, the effective date of which is derived from the related PFRS.
13. PIC Q&A No. 2022-04: PFRS 9 Business Model Assessment Practical Issues	Effective upon approval of FSRSC, to be applied retrospectively. Published in the Official Gazette and effective on March 29, 2023
14. PIC Q&A No. 2022-05: Accounting by a Representative Office of Remittances from its Foreign Head Office	Effective for annual periods beginning on or after January 1, 2022.
15. PIC Q&A No. 2019-01 (Amended August 2022): Accounting for service charges under PFRS 15, Revenue from Contracts with Customers	Effective for annual periods beginning on or after August 7, 2019, the effectivity date of the RA No. 11360.

Pronouncement	Effectivity date
16. PIC Q&A No. 2023-01: Conforming Changes to PIC Q&As Cycle 2023	Effective for annual period beginning on or after January 1, 2023.
17. Compilation of PIC Q&As as of June 30, 2023	This is just a compilation of PIC Q&As and each PIC Q&A has an indicated effective date.
18. PIC Guidance on Financial Reporting as of June 30, 2023	This publication provides guidance on recurring financial reporting issues, the effective date of which is derived from the related PFRS.
19. Philippine Interpretations Committee (PIC) Q&A No. 2023-02 Certain topics under PFRS 17, Insurance Contracts	Effective upon approval of FSRSC. Published in the Official Gazette and effective on October 8, 2023.

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

Issued this 25 January 2024 at Makati City.

For the Commission:

EMILIO B. AQUINO
Chairman