

TAG-Audit Newsletter

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Talal Abu-Ghazaleh & Co. International (TAG-Audit) is a leading global accounting and auditing firm. It is considered as an independent member company of Talal Abu- Ghazaleh organization (TAG-Org). TAG-Audit provides a complete range of internal auditing, external auditing, taxation, and other financial services based on international professional standards.

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During his participation at the Annual Compliance Experts Forum: Abu-Ghazaleh Calls for Establishment of ‘Arab Accounting Compliance Law’ by an Arab Consortium

AMMAN- HE Dr. Talal Abu-Ghazaleh, founder and chairman of Talal Abu-Ghazaleh Global (TAG.Global), called for the establishment of an Arab taskforce to draft an ‘Arab Compliance Law for Accounting’, with full authority to supervise its application by the Arab League.

During his keynote speech at the Annual Compliance Experts Forum entitled “Compliance with the US and European Anti-Money Laundering and Counter-Terrorist Financing Laws”, Dr. Abu-Ghazaleh underlined the importance of discussing the impact of technological advancements on the accounting profession, benefiting, at the same time, from the significant experiences and the progress achieved in this profession in the USA, Europe, and other countries worldwide.

He also pointed out that the drafting of the International Accounting Standards (IAS) should allow countries to add their own “local context” in accordance with their applicable laws, rather than on the basis of imposed laws regardless of their compliance with domestic laws.

Furthermore, Dr. Abu-Ghazaleh referred to the importance of investing in and following on the global digital transformation, especially at the financial institutions level, declaring his agreement, his full support and full compliance. “We, at TAG.Global, apply an accounts program for purposes of issuing reports to our clients regarding their financial statements; which is a special compliance program based on various international standards and decisions” he said, adding: “TAG.Global has developed a tailor-made program for each client, that takes into consideration the local requirements in each of the countries where we provide our services”.



He added, “The ‘digital transformation’ trend, internationally, imposed by the Coronavirus (COVID-19) pandemic, has enhanced the reliance on “digital services” and the world has experienced an unprecedented increase in the emergence of “Digital Banking Channels” and “Digital Wallets”, that is in addition to the rise of new customers in the world’s financial system, which necessitated the formulation of policies related to financial transactions such as: checking the identity of clients and tracking the movement of funds”.

Dr. Abu-Ghazaleh also brought up a number of disadvantages of digital financial transactions including the exploitation of “digital transformation” in money-laundering and terrorist financing activities, which would directly and negatively affect the reputation of countries and their financial stability.

This meeting was organized by the World Union of Arab Banks in cooperation with the Association of Banks in Jordan. The Secretary-General of the Union, Mr. Wissam Fattouh, and the General Director of the Association, Dr. Maher Al-Mahrouq delivered speeches at the opening of the ceremony.

Abu-Ghazaleh Congratulates the Palestinian Executive Director for his Appointment as President of the (PACPA)

RAMALLAH – HE Dr. Talal Abu-Ghazaleh, chairman of the International Arab Society of Certified Accountants (IASCA), congratulated Society board member and representative in Palestine Mr. Jamal Milhem for his appointment as President of the Palestinian Association of Certified Public Accountants (PACPA).

In his congratulation letter, Dr. Abu-Ghazaleh described Mr. Milhem as a leader who can offer guidance and insights to achieve common interest with the aim of boosting the auditing profession in Palestine for having an extensive experience to assume such a role.

Milhem's appointment comes in the midst of an environment that embraces rapid technological advancement and expansion in the scope and complexity of information needed by accountants and auditors at a global scale.

Furthermore, Dr. Abu-Ghazaleh affirmed his readiness to place IASCA's resources and technical support at the service of the PACPA and all other professional associations in the Arab region who endeavor to improve their capacities and strengthen their Arab presence internationally.

For his part, Milhem expressed his pride in the appointment, saying that he will exert utmost efforts to contribute to developing professional accounting policies and laws that support the Palestinian economy and improve the professional capabilities of PACPA members. He also underlined his commitment to ensure compliance with codes of professional ethics, in addition to implementing policies of support, innovation and change, while applying quality control on performance, and encouraging the implementation of international standards to boost the level of accounting in Palestine at local and international levels.

It is worth mentioning that Milhem worked with the PACPA for many years, and has worked



as vice president of the Association since early 2013. He also has been a member of this organization since 1997. Mr. Milhem is currently the Executive Director of Talal Abu-Ghazaleh Global (TAG.Global) offices in Ramallah. He was selected by the International Federation of Accountants (IFAC) in 2018 as a member of the Public Accountancy Organization Development Committee, a permanent committee of the Federation from 2018 to 2020, and was re-elected for the 2021-2023 session.

Milhem has been also selected in 2019 by IFAC to chair of the Public Accountancy Organization Development and Advisory Group for MENA region, during which he made great efforts for the development of the profession in the Arab region by working in cooperation with local and international partners.

The Palestinian Association of Certified Public Accountants (PACPA) is a professional association, which operates under the law of practicing the profession of auditing in Palestine. It aims at developing the accounting profession to contribute to the development of the Palestinian economy, developing the professional capabilities of its members, ensuring their compliance with the codes of ethical conduct, and encouraging the application of international standards at the local and international levels.

IASB seeks stakeholders' views on IFRS 9 review

The International Accounting Standards Board (Board) is requesting feedback as part of the post-implementation review of the classification and measurement requirements in its financial instruments Standard, IFRS 9.

The Board issued the completed version of IFRS 9 Financial Instruments in 2014 combining the classification and measurement, impairment and hedge accounting phases of its project to replace and improve on IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 specifies how a company is required to classify and measure financial assets and financial liabilities as well as some contracts to buy or sell non-financial items. IFRS 9 has been in effect since 2018.

The Request for Information, published, seeks information on the classification and measurement requirements in IFRS 9 and related disclosures. Reviews of the Standard's impairment and hedge accounting requirements will follow later.

The Board undertakes a post-implementation review of each new IFRS Standard or major amendment to a Standard after companies have applied it for at least two years. These reviews offer the Board the opportunity to assess the effect of the new requirements on companies, investors, auditors and regulators.



After analysing feedback from these reviews, the Board will decide whether to take any further actions. These actions can include providing educational materials or doing more research for possible standard setting. At the end of its analysis, the Board summarises and explains its responses to the feedback.

Andreas Barckow, Chair of the IASB, said:

The rationale for IFRS 9 was to enhance the accounting and reporting on financial assets and liabilities to provide investors with better information. This post-implementation review is a reflective exercise for us to understand whether the objectives of the Standard have been met. I would like to call on our stakeholders around the world to participate in this evaluation.

<https://www.ifrs.org/news-and-events/news/2021/09/iasb-seeks-stakeholders-views-on-ifrs-9-review/>

IFAC Calls on G20 Leaders to Focus on Sustainability Reporting and Public Sector Integrity

IFAC defined two key actions for G20 leaders to focus on as COVID-19 persists: supporting the IFRS Foundation's initiative on sustainability standards, and championing public financial management. Commitment to these two actions, which build on the four priorities laid out in IFAC's 2020 G20 Call to Action, is central to building a better future.

"For society to transition out of the COVID-19 pandemic in a more sustainable, inclusive, and



prosperous position than we entered it, we need a concerted effort from global policymakers and the accountancy profession," said CEO Kevin Dancey. "To seize these opportunities, we must act now."

To strengthen global economies, societies, and the environment, as well as tackle challenges resulting from the COVID-19 pandemic, IFAC calls on G20 leaders to:

1. Support the IFRS Foundation Initiative on Sustainability Standards:

Achieving a more sustainable and inclusive economy with the necessary speed requires mobilizing the private sector and governments to work together. The G20 Finance Ministers and Central Bank Governors have identified the critical role of high-quality and comparable data and disclosures in mobilizing sustainable finance. The B20 Finance & Infrastructure Task Force recognizes the same. Momentum is growing around developing a global baseline of sustainability standards, with the IFRS Foundation poised to deliver. IFAC strongly supports this crucial work.

2. Champion Public Financial Management:
- At the heart of public sector transparency and integrity—and prosperity for all individuals—is public financial management (PFM). A robust PFM system means that resources are appropriately allocated against public policy objectives that are in the public interest. Governments must endeavor to achieve the most with the resources they have, while minimizing loss through waste, fraud, or corruption—high quality PFM makes this happen. IFAC calls on the G20 to set an example for all jurisdictions worldwide in championing a continued focus on high-quality PFM.

Read IFAC's full 2021 G20 Call to Action here and learn more about the accountancy profession's role in enhancing corporate reporting during IFAC's 2021 EdExchange: Leading Sustainability virtual summit October 12-14.

<https://www.ifac.org/news-events/2021-09/ifac-calls-g20-leaders-focus-sustainability-reporting-and-public-sector-integrity>

Tax Changes Should be Targeted to Help Covid Recovery and Boost Fight Against Climate Crisis in G20 Countries, According to Accounting Bodies' Research

Tax incentives should be used to enable positive global outcomes, such as economic recovery from the pandemic and averting climate crisis, according to a new joint report released by the Association of Chartered Certified Accountants (ACCA), Chartered Accountants Australia and New Zealand (CA ANZ), and the International Federation of Accountants (IFAC).

A survey of 8,000 people across the G20 countries and New Zealand concluded that two-thirds (66%) were strongly in favor of using the tax systems to help individuals and small businesses to recover following the effects of Covid-19.

Respondents were also very much in favor of similar tax breaks to support efforts to tackle “global megatrends”, such as the fight against climate crisis, and efforts to support retirement savings, with 66% believing these would be appropriate incentives.



Perhaps surprisingly, the survey discovered that support had fallen in 15 of the 20 countries for international collaboration on tax.

This is despite the fact that 2021 has seen historic advances in international tax cooperation, including agreement by G7 countries to enforce a minimum rate of 15% corporation tax.

The Public Trust in Tax study, which was carried out in the first quarter of 2021, follows two previous reports on the subject in 2017 and 2019.

Other key findings included insight on whether taxpayers in different countries felt they were

paying a “reasonable amount of tax”. Overall, most respondents were likely to agree that their tax rates were reasonable across all pay grades.

However, fewer than one in four respondents across the G20 countries stated that high income individuals paid a reasonable amount of tax in their country.

And while 33% believed that local companies were likely to be paying a reasonable amount of tax, in seven countries multinational corporations were thought to be paying too little tax.

Despite this suspicion, 49% of people overall were in favor of using tax incentives to attract multinational business. There was also a fall from 44% to 39% in the number supporting requirements to make multinational companies publish detailed tax information, although the vast majority still support MNCs sharing all their information with local tax authorities.

The survey also uncovered varying levels of trust in global tax authorities and the players in the tax system. Trust in government tax authorities is polarized, with 43% saying they have trust or a high level of trust in the tax authorities, but 22% saying they distrust them. Overall, trust in government tax bodies has slightly increased.

Professional tax accountants (55%) have the highest level of trust, followed by professional tax lawyers (50%). Despite a small increase in the level of trust this time, politicians remain the least trusted group, at just 22% net distrust.

Accountants are also seen to contribute to the efficiency of the tax systems by making them more efficient, effective and fair.

The survey also asked questions about the trust people in various countries placed in their media and social media on the issue of tax. Social media was the least trusted source, distrusted by more than 40% and traditional media fared little better, scoring over 30% for distrust.

Total trust in social media was highest in India and China, but lowest in New Zealand and France. These results were mirrored for

traditional media, with India and China placing the most faith in their tax coverage and France registering the most distrust. Russian media was also distrusted by 54%.

“The relationship between taxpayers and governments, and between businesses, society and tax systems, will be fundamental to the shape of the economies that support us all, over the coming years,” said report author Jason Piper, head of taxation for ACCA. “Public trust is central to tax morale, which is the tendency for individuals and businesses to pay their tax voluntarily and without intervention by tax authorities.”

Anecdotally, many respondents stressed the importance of financial education from an early age, so that people understand the purpose of tax.

“Alongside the uncertainty of the pandemic, this year has also seen historic advances in international tax cooperation, with political agreements at the G7, G20 and OECD Inclusive Framework that began not long before this series of reports,” said Ainslie van Onselen, chief executive of CA ANZ. “Tax policies to help address challenges such as climate change and ageing populations are no longer issues on the horizon, it’s here and now. Well-functioning tax systems and high levels of taxpayer trust backed by a robust accounting profession to design, implement and navigate the tax implications are vital as we look to shape a better future.”

The correlations between social well-being and an effective tax system and economic growth are clear. No matter the cultural differences or divergent views on who is paying enough taxes or how the funds raised should be spent.

“As leaders in the global accountancy profession, we are proud to see the high levels of trust in professional accountants,” said Kevin Dancey, chief executive of IFAC. “This embodies the profession that we know. At the same time, we understand that there is always more to do to sustain and strengthen that trust.”

<https://www.ifac.org/news-events/2021-09/tax-changes-should-be-targeted-help-covid-recovery-and-boost-fight-against-climate-crisis-g20>

First-Time Implementation Guide for ISQM 1 Updated and Reissued

The International Auditing and Assurance Standards Board (IAASB) released an updated version of the First-time Implementation Guide for International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which was previously issued on June 14, 2021.

The update was made in response to questions the IAASB received on the illustrative table on page 89 of the original guide illustrating some scenarios relating to the evaluation of the firm's system of quality management and related possible conclusions in accordance with paragraph 54 of ISQM 1. The table was intended to illustrate how the combination of various factors outlined in the table may affect what conclusion is reached. It was not intended to be definitive on the conclusions reached in each circumstance.

Given a number of questions from various sources about how to interpret the table, the following revisions were made to provide further context and clarification when evaluating the system of quality management:



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- The section “How the Evaluation is Undertaken, Including What Information is Considered” (pages 89–92) was revised.
- Limited conforming changes were made to the section “Evaluate the Remedial Actions, and if Necessary, Take Further Action” (page 79).

The suite of quality management standards come into effect on December 15, 2022. This guide, and the first-time implementation guide for ISQM 2, do not amend or override the International Standards on Quality Management, the texts of which alone are authoritative. Reading the publications are not a substitute for reading the ISQMs. The IAASB encourages all practitioners to plan early for appropriate implementation, given the potential impact of the changes to firms' systems of quality management.

<https://www.iaasb.org/news-events/2021-09/first-time-implementation-guide-isqm-1-updated-and-reissued>

Audits of Less Complex Entities Consultation: Supplemental Guidance on Auditor Reporting & Mapping Documents Published

The IAASB has published new documents related to its open consultation on the audits of less complex entities:

- Proposed supplemental guidance on auditor reporting to provide further guidance on modifications and other changes to the auditor's report when using the proposed standard.
- “Mapping” documents to help users navigate between existing, equivalent International Standards on Auditing and the requirements in the newly proposed International Standard on Auditing for Less Complex Entities (ISA for LCE).

The IAASB strongly encourages all interested stakeholders to provide their feedback on the



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proposed standard by January 31, 2022. The standard is relevant to users of financial statements, owners, management and those charged with governance of entities, preparers of financial statements, legislative or regulatory authorities, relevant local bodies with standard-setting authority, professional accountancy organizations, academics, regulators and audit oversight bodies, and auditors and audit firms, among others.

<https://www.iaasb.org/news-events/2021-09/audits-less-complex-entities-consultation-supplemental-guidance-auditor-reporting-mapping-documents>

TABLETS

TAG-DC

Digital Citizens Tool

- Spreadtrum SC9863 Octa Core
- 4 GB RAM
- 64 GB Storage
- 6000 mAh
- 10.1" FHD
- Android 9
- Dual SIM Cards
- AC WIFI, GPS, Bluetooth
- 5 MP Front Camera, 13 MP Rear Camera



Screen Protector | Charger OTG



TAG-TAB II

Quality, Prices, Services

- Spreadtrum SC9863 Octa Core
- 4 GB RAM
- 64 GB Storage
- 6500 mAh
- 10.1" FHD
- Android 9.0
- Single SIM Card
- AC WIFI, GPS, Bluetooth
- 5 MP Front Camera, 13 MP Rear Camera



Leather Cover | Docking Keyboard-touch pad & Stylus Pen
HQ Bluetooth Earphones and Screen Protector



TAG-TAB III

Become A TAG-Friend

- MediaTek MTK8788 Octa-core
- 6 GB RAM
- 128 GB Storage
- 6000 mAh
- 10" FHD
- Android 10
- Single SIM Card
- AC WIFI, GPS, Bluetooth
- 5 MP Front Camera, 16 MP Rear Camera



Leather Cover



TAG-TAB KIDS

For Our Loved Ones

- Spreadtrum SC7731E Quad Core
- 2 GB RAM
- 32 GB Storage
- 4000 mAh
- 8" HD+
- Android 10
- Housing Plastic
- WIFI, GPS, Bluetooth
- 2 MP Front Camera, 8 MP Rear Camera
- Light Sensor / Distance sensor



Rubber Cover



SMARTPHONES

TAG-PHONE

TAG: Your Trusted Brand

- CPU: MediaTek Helio P60 Octa Core
- 6 GB RAM Android 10
- 64 GB Storage Dual Nano SIM Card
- Battery Capacity 4000 mAh
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Wired Headphones



Screen Protector



Back cover



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- 8 MP Front Camera, 16 MP Rear Camera



Screen Protector



Back cover



TAG-PHONE Advanced

Tailored to Be Advanced

- CPU: MediaTek Helio P60 Octa Core
- 6 GB RAM Android 10
- 128 GB Storage Dual Nano SIM Card
- Battery Capacity 4400 mAh Display: 6.3" FHD+
- 16 MP Front Camera, 16 MP Rear Camera



Screen Protector



Back cover



LAPTOPS

TAGITOP[®]-MULTI

- Intel Core i7 6th Gen (6500U)
- GPU: Intel® HD + NVIDIA GT940 MX
- 8 GB DDR3 RAM
- Storage: 1 TB HDD | 128 GB SSD
- 2 IN 1 SD/MMC
- 2x USB 3.0, 2x USB 2.0, 1x HDMI (4K)
- Backlit Keyboard



Carrying Case



4000 mAh



15.6" FHD



Built in Camera



AC Wi-Fi, Bluetooth 4.0



TAGITOP[®]-PLUS

- Intel Core i7 8th Gen (8550U)
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- Storage: 1 TB HDD | 128 GB SSD
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- 2x USB 3.0, 2x USB 2.0, 1x HDMI (4K)
- Backlit Keyboard



Carrying Case



4000 mAh



15.6" FHD



Built in Camera



AC Wi-Fi, Bluetooth 4.0



TAGITOP[®]-PRO

- Intel Core i7 10th Gen (1065G7)
- GPU: Intel® Iris® Plus Graphics
- 8 GB DDR4 RAM
- Storage: SSD 128 GB + SSD 512 GB
- 2x USB 3.0, 1x USB 2.0, 1x HDMI
- Backlit Keyboard



Fabric Sleeve Case



7400 mAh



15.6" FHD



Built in Camera



Fingerprint



AC WIFI, Bluetooth 4.0



TAGITOP[®]-PLUS II

- Intel Core i7 10th Gen (10510U)
- GPU: Intel® UHD + Nvidia MX250, GDDR5 2GB
- 8 GB DDR-4 RAM
- Storage: SSD 128 GB + HDD 512 GB
- 2x USB 3.0, 1x USB 2.0, 1x Type C, 1x HDMI, RJ45
- Micro SD Card Reader • Backlit Keyboard



Fabric Sleeve Case



5000 mAh



15.6" FHD



Built in Camera



Fingerprint



AC WIFI, Bluetooth 4.2



LAPTOPS**TAGITOP[®]-UNI C**

- Intel Celeron N4100
- GPU: Intel UHD Graphics 600
- 4 GB LPDDR3 RAM
- Storage: 256 GB SSD + 64 GB EMMC
- 1x USB 3.0, 2x USB 2.0, 1x MINI-HDMI, RJ45



4800 mAh



14.1" FHD



Built in Camera



AC Wi-Fi, Bluetooth 4.0

**TAGITOP[®]-UNI**

- Intel Core i3 5th Gen (5005U)
- GPU: Intel HD graphics 5500
- 8 GB DDR3L RAM
- Storage: SSD 128 GB + HDD 512 GB
- 1x USB 3.0 1x USB 2.0, 1x Type C, 1x HDMI
- Backlit Keyboard



4000 mAh



14.1" FHD



Built in Camera



Fingerprint



AC WIFI, Bluetooth 4.0

**TAGITOP[®]-EDU**

- Intel Core i3 10th Gen (1005G1)
- GPU: Intel® UHD
- 4 GB RAM DDR4
- Storage: 128 GB SSD
- 2x USB 3.1, 1x Type C, 1x HDMI, RJ45



4290 mAh



14" FHD



Built in Camera



AC WIFI, Bluetooth 4.2

**TAGITOP[®]-FLIP**

- Intel Core i5 8th Gen (8259U)
- GPU: Intel® Iris® Plus Graphics 655
- 8 GB DDR4 RAM
- Storage: 256 GB SSD
- 1x USB 3.1, 1x Type C, 1x HDMI
- Backlit Keyboard



7000 mAh



14.1" FHD

Screen ten points touch



Built in Camera



Fingerprint



AC WIFI, Bluetooth 4.2

