

TAG-Audit Newsletter

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Abu-Ghazaleh TAG Knowledge Center Meeting Recommends Postponement of Amended Tax Law

AMMAN - Talal Abu-Ghazaleh Knowledge Forum (TAG-KF) held an open discussion session, chaired by HE Dr. Talal Abu-Ghazaleh, to discuss the proposed new income tax draft law for 2018 and attended by more than 300 Jordanians from all walks of life in their individual capacity.

In his remarks at the beginning of the session, Dr. Abu-Ghazaleh welcomed the attendees from various economic, social, academic and youth sectors as well as political parties coming from all Jordanian governorates, cities and camps.

Dr. Abu-Ghazaleh expressed his pleasure to host all Jordanians at TAG-KF which was established to become a platform to express, share and exchange opinions and points of view regarding various national issues related to the country and citizens.

During the session, Dr. Abu-Ghazaleh affirmed that the objective of the gathering was to submit recommendations and suggestions by the attendees regarding the draft of the new Tax Law to Jordan's government and Parliament while, at the same time, highlighting the keenness of participants to respect each other's perspectives as well as to respect government officials and institutions, saying that positive communication between the citizen and decision maker is the path for any reform.



Participants unanimously agreed, during the national, objective and civilized gathering, to make a request to the government to postpone the submission of the new draft tax law and revise the tax system as a whole in view of the economic and social conditions that Jordan endures. Additionally, they urged the government to scientifically, professionally and technically look into the tax burdens, to be precise, sales taxes, income tax and fees among others, after consulting with experts and specialists from all sectors and institutions during a roundtable discussion that gathered all stakeholders to achieve the aspired goal of the law. They also underlined the significance of a comprehensive economic reform and stimulating the economy as a means for more productivity and a larger tax base that would consequently generate more tax revenues.

The participants also agreed on other significant points: maintaining personal and family

exemption as stipulated in the existing law, maintaining tax imposed on the industrial sector as stipulated in the existing law, raising tax imposed on the banking sector to 37% instead of 35% as stipulated in the existing law, the abolishment of the 1% social solidarity tax imposed on the income of individuals that is subject to income tax and keeping the same percentage on the net

profits of companies provided that purposes of its disbursement be indicated.

Meanwhile, a committee from the participants was formed to draft recommendations and suggestions to be submitted by the TAG-KF Chairmanship to the Government and Parliament.

Launch of 3rd Edition of Talal Abu-Ghazaleh Accountancy & Business Dictionary

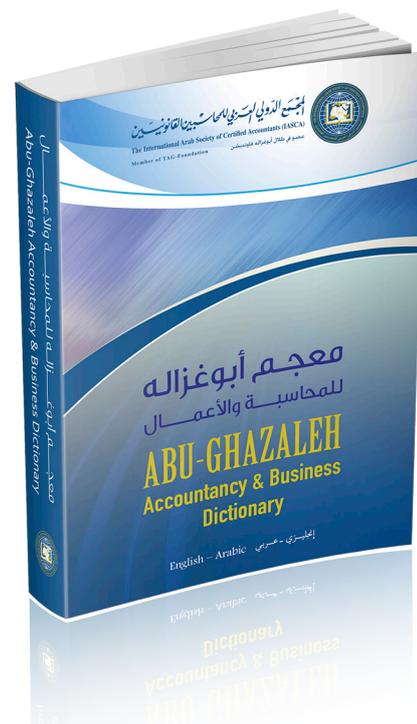
AMMAN - HE Dr. Talal Abu-Ghazaleh, Chairman of International Arab Society of Certified Accountants (IASCA), announced the launch of the third English-Arabic edition of Talal Abu-Ghazaleh Accountancy & Business Dictionary, with new updates.

Dr. Abu-Ghazaleh affirmed that this dictionary is a comprehensive publication that meets the needs of professionals, including accountants, auditors, bankers and all those who work in the field of economy and business. In addition, it is considered to be an important reference for university students in an era of rapid developments on all levels of science, knowledge and technology, he added.

The new dictionary comprises over 12000 terms relating to accounting and auditing, covering International Accounting Standards, International Auditing Standards, Code of Conduct, finance, investment, banking, insurance and taxes.

It is worth mentioning that the Arabic certified references of International Accounting Standards, International Auditing Standards and International Accounting Standards in the Public Sector, represent the translated versions into Arabic by IASCA, approved by international agencies that set these standards.

The dictionary is now available in hard copy, with a soft copy soon to be issued, for easy access and to keep up with technology advancements.



It is noteworthy that the International Arab Society of Certified Accountants (IASCA) was established in 1984 as a non-profit professional accounting association in London, UK. It was formally registered in Amman on February 24, 1994, aiming at advancing the profession of accounting, auditing and other related disciplines in the countries of the Arab League. IASCA also aims at maintaining the professional independence of Arab accountants and their protection, as well as the application of professional supervisory measures.

Proposed Update to the IFRS Taxonomy 2018 on IFRS 13 Common Practice

LONDON - The IFRS Foundation has published IFRS Taxonomy 2018—Proposed Update 1 Common Practice (IFRS 13 Fair Value Measurement) for public consultation. Those proposed changes result from the analysis of reporting practice relating to the disclosure requirements in IFRS 13 Fair Value Measurement.

The common practice elements in the IFRS Taxonomy reflect disclosures that companies applying IFRS Standards often include in their financial statements but that are not explicitly required by the IFRS Standards. Including common practice content in the IFRS Taxonomy enables more consistent tagging of financial statements prepared applying IFRS Standards by reducing the need for companies and regulators to create their own taxonomy elements.



The Proposed IFRS Taxonomy Update 1/2018 includes changes to the IFRS Taxonomy 2018 reflecting common reporting practice for the disclosure requirements in IFRS 13, including:

Sensitivity of fair value measurement to changes in unobservable inputs; and
Quantitative information about significant unobservable inputs used in fair value measurement.

The Proposed IFRS Taxonomy Update 1/2018 is open for comment until November 19, 2018.

www.ifrs.org

IIA and IFAC Offer Governance Advice

FLORIDA - The Institute of Internal Auditors (IIA) and the International Federation of Accountants (IFAC) have released a new report on how auditors and accountants can help with corporate governance strategies.

The report, “United, Connected and Aligned – How the Distinct Roles of Internal Audit and the Finance Function Drive Good Governance,” provides advice from 11 governance experts and thought leaders on the role that both internal audit and the finance function can play in maintaining a sound system of corporate governance.

The report highlights a number of important requirements for effective governance, including:

An ethical corporate culture that empowers effective leaders to implement good governance processes;



Effective communication and collaboration among the various roles; and,

The required competencies for internal audit and the finance and accounting functions to earn support and respect from their constituents.

The IIA and IFAC have a memorandum of understanding and collaborate on projects such as this report.

“Collaboration and cooperation between internal audit and the finance function is crucial to ensuring good governance,” said IIA President and CEO Richard Chambers in a statement. “Only by recognizing their distinct roles and the value in their successful interaction can organizations fully leverage the services they provide.”

The governance experts who offered their advice for the report include leaders of both the IIA and IFAC

“There is a deep need to pursue actions and preserve cultures that drive good governance,” stated IFAC President Rachel Grimes. “Professional accountants play a key role in governance at every line of defense, and abide by a global Code of Ethics that exemplifies the profession’s public interest mandate.”

The report pointed out that, because internal audit and finance have complementary roles, their overlapping duties can help avoid gaps in corporate governance. Both internal audit and the finance function need to have champions within and outside the organization who advocate for their importance and value.

“Internal audit needs to be its own champion and work to articulate the benefits of including internal audit in the governance process,” said Chambers. Stakeholders [executive management and the board] who understand the complex interactions and relationships that influence governance are best positioned to help their organizations succeed.”

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