

TAG-Audit Newsletter

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My Advice to Every Business Leader Regarding AI

Talal Abu-Ghazaleh

I have spent more than five decades at the intersection of commerce, technology, and institutional development. I have watched ideas become industries, and I have seen empires dissolve. What separates the enduring from the ephemeral is never the speed of adoption, but the quality of judgment. I write this because I believe that judgment — the one irreplaceable human faculty — is at risk of being abandoned at precisely the moment it is most needed.

Artificial intelligence has entered the world with a velocity unlike anything I have witnessed before. And unlike previous technological waves, this one carries a peculiar danger: it produces outputs that look intelligent. It speaks in full sentences. It cites facts. It offers recommendations with apparent confidence. Because it sounds authoritative, far too many leaders are treating it as though it were. They are not. They are dealing with a system that has no conscience, no accountability, and no concept of consequences, a system that, by its own designers' admission, remains in its infancy.

What concerns me most is not the technology itself, but the human response to it. Across industries, organizations are adopting AI not because they have identified a genuine need, but because they fear being perceived as behind. Fear has never been a sound strategy. When a company implements AI to signal modernity rather than to solve a real problem, it does not gain a competitive advantage it accumulates a quiet liability. It builds on ground it does not fully understand, toward outcomes it cannot reliably predict.

The evidence is already accumulating. In software development, a well-documented



pattern has emerged: AI systems generate code that passes every unit test and appears structurally sound, yet the resulting application is three and a half times larger in memory and performs two thousand times more slowly than the original, completely unusable in any production environment. The AI succeeded by every intermediate measure and failed catastrophically by the only one that mattered. This is what happens when organizations measure progress by the volume of output rather than the quality of outcomes.

The problem extends far beyond software. AI systems are producing research reports that sound authoritative while containing invented citations. They generate financial analyses with internally consistent logic built on factually incorrect premises. They offer legal summaries with misapplied precedents. In each case, the output looks like professional work. In each case, uncritical trust in that output creates liability. A global accounting firm was required to refund a government client in Australia after an AI-generated report contained material errors that would have been caught by even basic human review. This was not a small firm. It was a global institution with vast resources and experienced professionals. That it fell into this trap is not an indictment of AI. It is an indictment of the governance failure that allowed AI outputs to be delivered as professional work without

adequate oversight.

One of the most consequential shifts underway is what I call the democratization illusion. It is celebrated that non-technical staff can now build software, automate workflows, and generate analyses that once required years of specialized training. In some respects, this is a genuine achievement. But it also means that organizations are now deploying systems built by people who cannot audit them, cannot debug them, and cannot foresee their failure modes. These systems will not announce their vulnerabilities. They will function silently until they do not. When AI-generated layers are added to complex infrastructure without rigorous governance, the risk does not merely add; it compounds invisibly.

The deeper danger, however, is philosophical. AI speaks with fluency. And fluency, in human psychology, has always been a powerful proxy for credibility. We are wired to trust confident, articulate voices. AI exploits this tendency without intending to — it has no intentions at all — and the result is that its outputs are too often accepted without scrutiny. In consulting and professional services, incentive structures accelerate this problem: partners are rewarded for revenue, directors for reducing costs, and associates for speed of delivery. In such an environment, AI-generated work is not reviewed, it is passed through. It moves from model to client without a knowledgeable human ever truly owning responsibility for it.

The financial sector that specializes in pricing risk has already begun to respond. Insurance underwriters are actively exploring how to exclude AI-generated work from professional liability policies. Some are pressing regulators for explicit carve-outs. When the institutions whose entire purpose is the accurate pricing of risk begin withdrawing from a category, business leaders should treat this as a serious

signal. Insurance companies do not retreat from profitable markets without cause. They are telling us something we should hear.

A reckoning is coming. Organizations that have deployed AI without governance frameworks, without clear accountability, without meaningful human review at critical checkpoints, will face it. They will face legal challenges from AI-generated errors presented as professional deliverables. They will face reputational damage when those errors surface publicly. They will face pricing pressure as clients demand fee reductions upon discovering that work once billed at the rate of expert human judgment was in fact generated by an AI system in minutes. This is already happening. It is not a theoretical future — it is the present, advancing.

I speak with particular concern for our region. The Arab world is at a pivotal moment in its institutional development. Many of our governments, enterprises, and professional bodies are still building the frameworks — legal, regulatory, and cultural — that more mature economies spent decades constructing. In that context, adopting AI without governance is not merely risky; it is potentially generational in its consequences. If our institutions embed AI into their foundations before those foundations are sound, the errors will be structural, not incidental. The Arab world has an opportunity to lead in responsible AI deployment — to build governance-first rather than governance-after. That requires our business leaders to be more deliberate, not less, than their counterparts elsewhere. We cannot afford to learn these lessons the expensive way.

At Talal Abu-Ghazaleh Global, we have approached AI with both conviction and discipline. We believe in its transformative

potential — we have invested in it, built with it, and embedded it across our operations and services. But we have insisted on governance: on human ownership of AI outputs, on review processes, on institutional accountability. We have built training programs not to teach uncritical reliance on AI, but to teach people to use it with wisdom and rigor. Because a tool of this power, deployed without wisdom, is not an advantage. It is an accelerant for error.

There is a debate raging about whether AI will eliminate jobs. I believe this debate, while important, distracts from a more fundamental question: not whether AI will replace workers, but whether it will replace thinking. An organization can survive losing headcount. It cannot survive losing the capacity for independent judgment. I have seen what happens when institutions hollow out their intellectual core — when they mistake the execution of instructions for the exercise of wisdom. It takes years to build a culture of rigorous thinking and very little time to dismantle it. If leaders allow AI to become a substitute for thought rather than a support for it, they will find themselves, within a decade, presiding over organizations that are technically capable and intellectually empty.

My advice to every business leader is this: adopt AI, but with discipline. Use it as you would any powerful instrument, with full awareness of its limitations, with oversight

at every critical juncture, and with the clear understanding that accountability cannot be outsourced to an algorithm. The winners of this era will not be those who adopted AI the fastest. They will be those who adopted it with the greatest intelligence, governed it with the greatest rigor, and preserved — above all else — the irreplaceable quality of human judgment.

In practice, this means four things. First, never deploy AI in a workflow without designating a named human who owns accountability for the output, not the tool, not the team, but a specific individual. Second, establish review checkpoints proportional to the consequence of error: the higher the stakes, the deeper the human review must be. Third, train your people not just to use AI, but to interrogate it to ask what it might have missed, what assumptions it has embedded, and where it has substituted confidence for knowledge. Fourth, measure AI's contribution to your organization not by cost saved or hours reduced, but by whether the quality of your decisions and the integrity of your outputs have improved. Speed and efficiency without quality and accountability are not gains. They are deferred losses. The future belongs to those who know how to combine human wisdom with technological power. Not to those who mistake the appearance of intelligence for the substance of it.

Exposure Draft and Comment Letters

Risk Mitigation Accounting-Proposed Amendments to IFRS 9 and IFRS 7

LONDON - The International Accounting Standards Board (IASB) published the Exposure Draft Risk Mitigation Accounting, proposing amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

The IASB is proposing:

- To add a risk mitigation accounting model for companies managing repricing risk on a net basis; and
- To require a company to disclose its strategy for managing repricing risk and the effects of its risk management activities.

The IASB is also seeking feedback on the proposed withdrawal of IAS 39 Financial Instruments: Recognition and Measurement.

Supplemental reference materials have also been made available, including Basis for Conclusions, Illustrative Examples and Implementation Guidance, and Snapshot.

How to respond to the Exposure Draft

Stakeholders can respond to the request for comment on the Exposure Draft by submitting a comment letter below.

The Exposure Draft will be open for comment for 240 days, with the comment period closing on July 31, 2026.

Request for fieldwork

In addition to inviting comments on the proposals in the Exposure Draft, the IASB also invites companies that manage repricing risk on a net basis to carry out fieldwork during the comment period, based on their risk management practices.

Fieldwork responses are most helpful if they are provided in narrative form, and—if it is appropriate and feasible to do so—supported by quantitative information. Companies may otherwise choose any appropriate format to report their findings to the IASB.

How to respond to the Request for fieldwork

Please email your fieldwork response to FI@ifrs.org. All fieldwork responses will be confidential and not displayed on our website. Do not submit fieldwork responses via the comment letter submission form. The IASB expects companies to send their preliminary fieldwork responses separately from their comments on the Exposure Draft by July 31, 2026. Final responses should be reported no later than November 30, 2026.

www.ifrs.org



Private Equity Investment in Accountancy :IFAC Releases Research and Online Resource

NEW YORK - The International Federation of Accountants (IFAC) released new global research analyzing the rapid growth of private equity (PE) investment in professional accountancy firms and its potential implications for the future of the profession.

As a global organization representing over 188 professional accountancy organizations in more than 140 jurisdictions, IFAC is sizing the scale of the trend and identifying its potential implications for transaction structures, firm oversight, independence and conflicts of interest, audit quality, consolidation and competition, and the attractiveness of the profession through research and extensive engagement with stakeholders, including firms, regulators, investors, and professional bodies.

As part of a broader global phenomenon, IFAC has identified more than 1,000 accountancy firms worldwide that have experienced private equity investment over the past ten years, with activity accelerating significantly since 2022. While transactions are currently concentrated in Continental Europe, the United Kingdom and Ireland, and the United States, the



**International
Federation
of Accountants**

trend is increasingly shaping the profession globally. The research indicates that fewer than 200 initial or direct private equity investments have facilitated nearly 900 subsequent transactions, underscoring a significant wave of consolidation across the profession.

Lee White, Chief Executive Officer, IFAC said: “Regardless of ownership structure, the integrity, quality, and independence that underpin our work as professional accountants must remain non-negotiable. Trust, confidence, and a steadfast commitment to the public interest are what define the profession—and they must continue to guide its future development. Some firms are exploring private equity as a way to accelerate transformation, strengthen their capabilities, and offer new career pathways.

I would like to thank Fiona Wilkinson and the members of the Private Equity Task

Force for their diligent work and thoughtful analysis in advancing this important conversation.”

Fiona Wilkinson, Chair of IFAC’s Private Equity Task Force, said: “As Chair of a task force of volunteers established by IFAC last year, I have had the opportunity to talk with many experts representing different points of view on the potential risks and benefits of PE investment in the accountancy profession. Our approach has been balanced and data-driven.

I encourage leaders in the profession to do the same and to assess whether or not, over the long run, firms that focus on the benefits and opportunities of PE investment—while managing the potential challenges and risks—can become more resilient, future-fit, and more attractive, while upholding their public interest responsibility.”

The objective of this work is to raise awareness and

enhance understanding so that accountancy professionals can engage in informed, evidence-based discussions with regulators, clients, and other stakeholders, while providing a globally comprehensive source of data and analysis on this

rapidly emerging market trend. IFAC will continue to engage with its member organizations and stakeholders worldwide to monitor developments, share insights, and support the profession in navigating this period of change responsibly

and transparently.

Please visit the “Private Equity Investment in Accountancy” webpage to access the research, data, and related resources.

www.ifac.org

PLUS III 7022

CPU: Intel® Core™ i7 1255U
RAM: 8 GB DDR4
Storage: 256 GB SSD + 1 TB HDD
GPU: Intel® Iris®Xe Graphics
Screen: 15.6" FHD 1920*1080 IPS LCD screen
Battery: 4500 mAh
Built in Camera: 2.0 MP
AX (wifi 6) BT 5.1



JD516



PLUS III 5022

CPU: Intel® Core™ i5 1235U
RAM: 8 GB DDR4
Storage: 256 GB SSD + 1 TB HDD
GPU: Intel® Iris®Xe Graphics
Screen: 15.6" FHD 1920*1080 IPS LCD screen
Battery: 6000 mAh
Built in Camera: 2.0 MP
AX (wifi 6) BT 4.2



JD416



PLUS II

CPU: Intel® Core i7 10th Generation 10510U
RAM: 8 GB DDR4
Storage: 256 GB SSD + + 512 GB HDD
GPU: Intel® UHD + Nvidia MX250, GDDR5 2GB
Screen: 15.6" FHD 1920*1080
Battery: 5000 mAh
Built in Camera: 1.0 MP
AX (wifi 6) BT 4.2



JD625



PLUS I

CPU: Intel® Core i7 10th Generation 10510U
RAM: 8 GB DDR4
Storage: 128 GB SSD + 1 TB HDD
GPU: Intel® UHD Graphics
Screen: 15.6" FHD IPS 1920*1080
Battery: 4000 mAh
Built in Camera: 2.0 MP
AC WIFI Bluetooth 4



JD599

UNI

صنع هذا المنتج بكل فخر في الأردن

CPU: Intel I5 1135G7
RAM: 8 GB DDR4
Storage: 256 GB SSD M.2 + 500 GB HDD
GPU: Intel® Iris®XE Graphics
Screen: Touch Panel 14.1" FHD, 1920*1080
Gifts: Fabric Sleeve Case

Battery:4000 mAh
Built in Camera: 2.0 MP
AC WIFI Bluetooth 4.0

JD490



PRO

CPU: Intel® Core i7 10th Generation 1065G7
RAM: 8 GB DDR4
Storage: 128 GB SSD + 512 GB SSD
GPU: Intel® Iris®Plus Graphics
Screen: 15.6" FHD IPS 1920*1080
Gifts: Fabric Sleeve Case

Battery: 7400 mAh
Built in Camera: 2.0 MP
AC WIFI Bluetooth 4.0

JD595



FLIP

CPU: Intel Core i5 8th Generation 8259U
RAM: 8 GB DDR4
Storage: 256 GB SSD
GPU: Intel® Iris® Plus Graphics 655
Screen: Touch Panel 14.1" FHD,
1920*1080 (10 point touch)
Gifts: Fabric Sleeve Case

Battery: 7000 mAh
Built in Camera: 2.0 MP
AC WIFI Bluetooth 4.2

JD425



EDU

CPU: Intel® Core i3 10th Generation 1005G1
RAM: 4 GB DDR4
Storage: 128 GB SSD
GPU: Intel® UHD
Screen: 14" FHD, IPS 1920*1080
Gifts: Carry bag , USB mouse , Plastic cover

Battery: 4290 mAh
Built in Camera: 1.0 MP
5 GHz AC Bluetooth 4.2

JD310



UNI ©

CPU: Intel Celeron N4100
RAM: 4 GB LPDDR3
Storage: 256GB SSD + 64GB EMMC
GPU: Intel UHD Graphics 600
Screen: 14.1" FHD Resolution 1920*1080

Battery: 4800 mAh
Built in Camera: 2.0 MP
AC WIFI Bluetooth 4

JD195



Special

CPU: MediaTek P60 Octa-Core
RAM: 6 GB
Storage: 128 GB
Android 11
SIM Card: Dual Nano SIM Card
 + TF Card
Camera Front: 16 MP
Camera Back: 20 MP

Screen: 6.52 inch screen with
 720*1600 HD+
Battery: 5900 mAh
Wi-Fi: AC- 5 G WIF
Bluetooth: 4.2
Charger: Type C charging Port
 with Fast Charge capability

Gifts: Screen Protector, Back Cover

JD150



Advanced



CPU: MediaTek Helio P60 Octa-Core
RAM: 6 GB
Storage: 128 GB
Android 10
SIM Card: Dual Nano SIM Card
Camera Front: 16 MP
Camera Back: 16 MP
Screen: 6.3 inch screen with
 1080*2280 FHD+

Battery: 4400 mAh
Wi-Fi: 5 G WIFI
Bluetooth: 5.0
Charger: Micro usb charging
 Port Fast Charge capability

Gifts: Screen Protector, Back Cover

JD144

Plus

CPU: MediaTek Helio A25 Octa-Core
RAM: 4 GB
Storage: 128 GB
Android 10
SIM Card: Dual Nano SIM Card
 + TF Card
Camera Front: 8 MP
Camera Back: 16 MP

Screen: 6.55 inch screen with
 720*1600 HD+
Battery: 4500 mAh
Wi-Fi: 5 G WIFI
Bluetooth: 5.0
Charger: Type C charging Port
 Fast Charge capability

Gifts: Screen Protector, Back Cover

JD136



TAG-PHONE



CPU: MediaTek Helio P60 Octa-core
RAM: 6 GB
Storage: 64 GB
Android 10
SIM Card: Dual Nano SIM Card
Camera Front: 8 MP
Camera Back: 16 MP
Screen: 6.21 inch HD+
Battery: 4000 mAh

Wi-Fi: supports
Bluetooth: 4.2
Charger: Micro usb charging
 Port Fast Charge capability

Gifts: Screen Protector, Back Cover

JD112