

# TAG-Audit Newsletter

Issue 31 - September 2020

[tagi.com](http://tagi.com) | [tagorg.com](http://tagorg.com)

*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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## Abu-Ghazaleh: For our existence on Earth, we have to sell the Present to Buy Future



AMMAN - Prominent Arab economist and businessman, HE Dr. Talal Abu-Ghazaleh, chairman and founder of Talal Abu-Ghazaleh Global (TAG.Global), warned of climate change crisis, caused mainly by global warming, on the future of humanity, calling on all concerned parties to take this issue seriously. He reminded of a similar warning by Bill Gates saying: “Another crisis looms and it could be worse than the coronavirus. As awful as this pandemic is, climate change could be worse.”

In a new episode of his weekly program (The World to Where?) aired on Russia Today (RT), Dr. Abu-Ghazaleh said that the world lacks the necessary awareness of the dangers of focusing on current daily needs instead of seriously thinking about the future of humanity and next generations”.

Dr. Abu-Ghazaleh expressed his belief that by the end of this century , the world will move from the Knowledge Revolution to the Wisdom Revolution, wherein production would focus more on the future interests rather than the immediate ones, pointing out that ‘in the Wisdom Revolution Era, we would start “selling

the present for the sake of buying the future”.

Furthermore, Dr. Abu-Ghazaleh advised better utilization of the Artificial Intelligence (AI) technologies in finding solutions for global warming by developing smart systems to confront hazardous air pollutants and emissions; either to pre-process emissions of greenhouse gases or to decontaminate such emissions before spreading in the atmosphere by a processing device that can remove toxic and harmful substances from the air.

During the episode, Dr. Abu-Ghazaleh urged world countries to bear responsibility for climate change repercussions, stressing the importance of concluding an agreement between the US and China to find a solution for the issue being the two world largest industrial nations, in addition to the need of obligating countries to respect laws and rights of competition by applying a unified level of control over the environment.

Meanwhile, Dr. Abu-Ghazaleh pointed to the lack of accounting standards that measure environmental damage resulting from economic and industrial activities, which the United

Nations has been seeking to introduce since 1999. He recalled how he, along with representatives of the world accounting associations, were assigned by the UN Secretary-General to develop an accounting program that measures the negative environmental impact; by demanding that every company allocate specific amounts of money to compensate for environmental harm caused by its activities in an attempt to reduce negative effects of the concerned businesses on the environment.

Dr. Abu-Ghazaleh referred to the ‘special US-UK relations’ regarding sensitive international issues, noting that US officials had previously refused to discuss any environment-related project without the approval of Washington. That is in addition to the US-UK objection to a UN law that holds companies accountable for their activities and businesses that result in negative effects on the environment.

Dr. Abu-Ghazaleh further recalled how US President Donald Trump denied during his previous presidential election campaign the existence of a global warming problem, describing it as a ‘Chinese Hoax’ to fight American industry, reiterating his rejection to the issuance of any decision or regulations that restrict the businesses of American companies

under the pretext of their negative impact on the environment.

However the situation will not remain the same during the current presidential campaign for President Trump, according to Dr. Abu-Ghazaleh, as the climate change crisis will become a source of embarrassment for the President because of the youth movements and activists who push towards finding a solution to global warming; as well as demands at the US Congress to address its impact on environment; its existential challenge for the whole human race, notably the statements of a US representative who said: “The world is going to end in 12 years if we don’t address climate change.”

Referring to American studies in this regard, 50% of global living environment has been destroyed by man-made activities and disasters, and it is expected that natural resources would be depleted in 50 years, if environmental degradation has not been seriously handled, Abu-Ghazaleh warned.

He also referred to Bill Gates’ warnings saying that: ‘We are witnessing the dangers of climate change represented in seasons’ overlapping, flooding, ice melting in the Arctic and natural disasters that are all on the rise.’

## September 2020 IFRS for SMEs Update published

This edition of the IFRS for SMEs Update highlights recent activities and materials published to support the Request for Information on the second comprehensive review of the IFRS for SMEs Standard (Request for Information), which the Board published in January 2020.

This Update includes the following:

- information on the options for responding to the Request for Information;
- information on outreach events;
- an overview of materials supporting the Request for Information;
- SME Implementation Group (SMEIG) new member induction;



- a farewell note from Darrel Scott;
- an updated IFRS for SMEs Fact Sheet; and
- information about online resources.

<https://www.ifrs.org/supporting-implementation/supporting-materials-for-the-ifrs-for-smes/ifrs-for-smes/september-2020-ifrs-for-smes-update/>

## NEW ILLUSTRATIVE EXAMPLES FOR ISA 540 (REVISED) IMPLEMENTATION: EXPECTED CREDIT LOSSES

The International Standard on Auditing (ISA) 540 (Revised) Implementation Working Group published illustrative examples for auditing expected credit loss (ECL) accounting estimates.

The examples illustrate how an auditor could address certain requirements of ISA 540 (Revised). They were developed to assist the auditor in understanding how ISA 540 (Revised) may be applied to:

- International Financial Reporting Standard (IFRS) 9 Impairment (ECL) – Credit Card
- IFRS 9 Impairment (ECL) – Significant Increase in Credit Risk
- IFRS 9 Impairment (ECL) – Macroeconomic Inputs and Data

The examples illustrate accounting estimates with varying characteristics and degrees of complexity. Each example illustrates a selection of requirements from ISA 540 (Revised). Not all requirements are addressed in each example, nor do they cover all parts of those requirements that have been selected. The requirements selected across each example vary to illustrate different aspects of ISA 540 (Revised) and to focus on those requirements that are most relevant to the example.

The three ECL examples are intended to be read together, as requirements that are addressed in one



example may also be relevant to another example. For example, the Macroeconomic Inputs and Data example is focused primarily on the audit implications of such data, and does not repeat material in the other examples, which nevertheless may be relevant and applicable to that example more broadly.

These examples do not constitute an authoritative pronouncement of the International Auditing and Assurance Standards Board (IAASB), nor do they amend, extend or override the ISAs or other of the IAASB's International Standards. It is not meant to be exhaustive and reading these examples is not a substitute for reading the ISAs.

Simple and complex illustrative examples, which demonstrate how an auditor may address selected requirements of ISA 540 (Revised) in the context of the audit of the financial statements of an entity with simple and complex accounting estimates, respectively, are also available.

<https://www.iaasb.org/news-events/2020-08/new-illustrative-examples-isa-540-revised-implementation-expected-credit-losses>

## IFAC Calls for Creation of an International Sustainability Standards Board Alongside the International Accounting Standards Board (IASB)

IFAC, the global voice of the accountancy profession, called for the creation of a new sustainability standards board that would exist alongside the IASB under the IFRS Foundation. The proposed board would address the urgent and growing demand from investors, policy makers and regulators for a reporting system that delivers consistent, comparable, reliable, and assurable information relevant to enterprise value creation, sustainable development and evolving stakeholder expectations.

IFAC's overview of the objectives, structure and building blocks of the proposed board can be found at [The Way Forward](#).

Kevin Dancey, CEO of IFAC, said, "The time for a global solution is now. Given the momentum that has developed this year—because of work by Accountancy Europe, WEF/IBC, the European Commission, the IOSCO Task Force and the five leading reporting initiatives—we have a unique opportunity to act in concert to do the right thing in the public interest. IFAC believes the IFRS Foundation, with the backing of public authorities, is optimally positioned to lead and coordinate this initiative, and they would do so with our full support. We recommend that the proposed board adopt a "building blocks" approach, working with and leveraging the expertise and disclosure requirements of the CDP, CDSB, GRI, IIRC and SASB."

Veronica Poole, Global IFRS Leader and Head of Corporate Reporting at Deloitte, said: "Transparent measurement and disclosure of sustainability performance is a fundamental part of effective business management and is essential for preserving trust in business as a force for good. IFAC's vision is fully aligned with the joint vision of the leading standard-setters on how their current standards and frameworks could complement IFRS Standards



and US GAAP, and serve as a natural starting point for progress towards a more coherent, comprehensive corporate reporting system."

"We now have a unique opportunity to accelerate progress and house all the relevant standards under one roof as suggested by IFAC, to connect sustainability disclosure standards focused on enterprise value creation to financial GAAP. Integrated reporting together with the IASB's work on Management Commentary can provide a framework for this connectivity. IOSCO has stated its commitment to bring about the system change for the capital markets and the IFRS Foundation trustees indicated that they are going to consult on introducing a sustainability focused standard-setter under the umbrella of the IFRS Foundation—the stars are lining up to bring about the fundamental shift in reporting that investors, business and society at large have been calling for."

Charles Tilley, IIRC Chief Executive Officer, said, "The IIRC has long championed a vision of a comprehensive and cohesive corporate reporting system to drive effective corporate governance and sustainable value creation. Bridging the gap between the two worlds of financial reporting and sustainability reporting is a vital element in fulfilling this vision and we support the development of a conceptual framework, based substantially on integrated reporting principles, to facilitate the linkages that will break down silos and restore trust."

Barry Melancon, AICPA President and CEO, and IIRC Board Chair, added, "IFAC's recommendations are powerful, coming out at a

time when the world is in search of answers. This is an important moment for the IFRS Trustees, as businesses and investors need robust and trusted standards and interconnected oversight. A cohesive approach to reporting is not just more efficient, it is essential to unlock the positive force of value creation. We also need innovation to complete the corporate reporting system, to ensure we have an assurance process that is fit for purpose and the technology to support high quality reporting and governance.”

## **IFAC**

The International Federation of Accountants (IFAC) is the global organization for the

accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC comprises more than 175 members and associates in more than 130 countries and jurisdictions, representing more than 3 million accountants in public practice, education, government service, industry, and commerce.

<https://www.ifac.org/news-events/2020-09/ifac-calls-creation-international-sustainability-standards-board-alongside-international-accounting>

# Your **TECH TOOLS** for the INEVITABLE DIGITAL FUTURE

## TAG-DC

The DIGITAL Citizen Tablet

- Octa Core 1.6 GHz CPU
- Android 9.0 (Pie)
- 10.1" Screen 1200 x 1920
- 2G/3G/4G Connectivity
- 4 GB RAM, 64 GB Storage
- Battery Capacity: 6000 mAh
- 5 MP Front Camera and 13 MP Rear Camera
- Dual SIM Cards, GPS & Bluetooth
- Wi-Fi: IEEE 802.11 a/b/g/n/ac

Free

Leather Cover with USB Keyboard

HQ Bluetooth Earphones and Screen Protector | 1 Year Warranty



JD145\*

## TAGITOP<sup>®</sup>-MULTI

FOR EVERYONE FOR EVERYTHING

- Intel Core i7 6500U
- Intel® HD Graphics Card
- Additional NVIDIA GT940 MX 2GB Graphics Card
- Storage: 1 TB SATA HDD | 128 GB Slot SSD
- Wi-Fi, Bluetooth, HDMI (4K) Output, 2 IN 1 SD/MMC
- 15.6 Inch Full HD Screen Built in Camera
- 4 USB Ports: 2 USB3.0 , 2 USB2.0
- Chocolate Backlit Arabic\English Keyboard

Free

Carrying Case | 1 Year Warranty



JD453\*

## TAGITOP<sup>®</sup>-PLUS

FOR PROFESSIONALS EXTRA PERFORMANCE

- intel Core i7 CPU 8550U
- Intel® HD Graphics Card
- 8 GB DDR4 RAM
- 15.6 Inch Full HD Screen
- Storage: 1 TB SATA HDD | 128 GB Slot SSD
- Wi-Fi, Bluetooth, HDMI (4K) Output, 2 IN 1 SD/MMC
- 4 USB Ports: 2 USB3.0 , 2 USB2.0
- Built in Camera
- Chocolate Backlit Arabic\English Keyboard

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Carrying Case | 1 Year Warranty



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\*VAT Included

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Your **TECH TOOLS** for the  
**INEVITABLE DIGITAL FUTURE**

## TAG-TAB II

YOUR TABLET FOR ALL PURPOSES

- Docking Keyboard and Stylus Pen
- Android 9.0 (Pie)
- Octa Core 8 x A55 1.6GHz+1.2ghz
- 10.1 inch with 1200 \* 1920 LCD
- 4 GB RAM 64 GB Storage
- 5 MP Front Camera and 13 MP Rear Camera
- Single SIM Card, Support 2G/3G/4G
- Battery Capacity: 6500 mAh
- Wi-Fi: IEEE 802.11 a/b/g/n/ac

Free

Leather Cover with Docking Keyboard-touch pad  
HQ Bluetooth Earphones and Screen Protector | 1 Year Warranty



JD185\*

## TAGITOP<sup>®</sup>-UNI

THE UNIVERSAL LAPTOP FOR EVERYBODY

- 14 inch Full Metal laptop
- Intel Core i3
- 8 GB RAM
- Battery: 4000 mAh
- SSD 128GB + HDD 500GB
- Backlit Keyboard
- 1 USB Ports (3.0) 1 USB Ports (2.0) and Type-C and HDMI Ports

Free

Fabric Sleeve Case | 1 Year Warranty



JD275\*

## TAGITOP<sup>®</sup>-PRO

High Range Specifications

- 10th Generation Intel Core i7 (1065G7)
- 15.6 inch FHD IPS
- Battery: 7400 mAh
- SSD 128GB + SSD 512GB
- 8 GB RAM, DDR4
- Backlit Keyboard
- Full Function Thunderbolt
- 2 USB 3.0, 1 USB 2.0, HDMI Ports

Free

Fabric Sleeve Case | 1 Year Warranty



JD610\*

\*VAT Included

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