Philippine Financial Reporting Standards
(Adopted by SEC as of December 31, 2011)

Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS)	Title	Effective Date	Brief Description
Framework for the Preparation and Presentation of Financial Statements	Conceptual Framework Phase A: Objectives and qualitative characteristics	07/01/11	The Conceptual Framework creates a sound foundation for future accounting standards that are principles-based, internally consistent and internationally converged. The Conceptual Framework deals with : a) the objective of financial reporting; b) the qualitative characteristics of useful financial information; c) the definition, recognition and measurement of the elements from which financial statements are constructed; and d) concepts of capital and capital maintenance.
Improvements to PFRSs 2010	Improvements to PFRSs 2010 (A Collection of Amendments to Seven International Financial Reporting Standards)	01/01/11	The annual improvements process aims to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of a major project. The latest set of improvements amends six standards and one interpretation. By presenting the amendments in a single document rather than a series of piecemeal changes the IASB aims to ease the burden of change for all concerned. Unless otherwise specified, the amendments are effective for annual periods beginning on or after **January 1, 2011**, with earlier application permitted.
PFRSs Practice Statement Management Commentary	PFRSs Practice Statement Management Commentary	06/29/11	The Practice Statement is not a PFRS and provides a broad, non-binding framework for the presentation of management commentary that relates to financial statements that have been prepared in accordance with PFRSs. Consequently, entities applying PFRSs are not required to comply with the Practice Statement. Furthermore, non-compliance with the Practice Statement will not prevent an entity's financial statements from complying with PFRSs, if they otherwise do so. The Practice Statement is applicable to management commentary presented prospectively starting on **June 29, 2011**.
PAS 1 (Revised)	Presentation of Financial Statements	01/01/09	This standard prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements, guidelines for their structure and minimum requirements for their content. The changes made will require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyze changes in a company's equity resulting from transactions with owners in their capacity as owners (such as dividends and share repurchases) separately from 'non-owner'

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			changes (such as transactions with third parties). The revised standard gives preparers of financial statements the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The revisions include changes in the titles of some of the financial statements to reflect theirfunction more clearly (for example, the balance sheet is renamed a statement of financial position). The new titles will be used in accounting standards, but are not mandatory for use in financial statements. The revised standard introduces a requirement to present a statement of financial position at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement, as defined in PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, or when the entity reclassifies items in the financial statements.
	Amendment to PAS 1: Capital Disclosures	01/01/07	The Amendments to PAS 1 adds requirements for all entities to disclose the entity's objectives, policies and processes for managing capital; quantitative data about what the entity regards as capital; whether the entity has complied with any capital requirements; and if it has not complied, the consequences of such non-compliance. These disclosures provide information about the level of an entity's capital and how it manages capital, which are important factors for users to consider in assessing the risk profile of an entity and its ability to withstand unexpected adverse events.
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	01/01/09	This Standard requires a financial instrument to be classified as a liability if the holder of that instrument can require the issuer to redeem it for cash. This principle works well in most situations. However, many financial instruments that would usually be considered equity, including some ordinary or common shares and partnership interests, allow the holder to 'put' the instrument (to require the issuer to redeem it for cash). Currently these financial instruments are considered liabilities, rather than equity. The amendments to PAS 32 address this issue and provide that puttable financial instruments will be presented as equity only if all of the following criteria are met: a. the holder is entitled to a pro-rata share of the entity's net assets on liquidation; b. the instrument is in the class of instruments that is the most subordinate and all instruments in that class have identical features; c. the instrument has no other characteristics that would meet the definition of a financial liability; and d. the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the entity (excluding

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			any effects of the instrument itself). Profit or loss or change in recognized net assets for this purpose is as measured in accordance with relevant IFRSs. In addition to the criteria set out above, the entity must have no other instrument that has terms equivalent to (d) above and that has the effect of substantially restricting or fixing the residual return to the holders of the puttable financial instruments. Additional disclosures are required about the instruments affected by the amendments. The amendments will apply for annual periods beginning on or after **January 1, 2009**, with earlier application permitted. If an entity applies these amendments for a period beginning before January 1, 2009 it shall disclose that fact and apply the related amendments to PAS 39, Financial Instruments: Recognition and Measurement, PFRS 7 Financial Instruments: Disclosures, and Philippine Interpretation IFRIC–2, Members' Shares in Co-operative Entities and Similar Instruments, at the same time.
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	07/01/12	Presentation of Items of Other Comprehensive Income (Amendments to PAS 1) amended paragraphs 7, 10, 82, 85-87, 90, 91, 94, 100 and 115, added paragraphs IN17-IN19, 10A, 81A, 81B, 82A and 139J and deleted paragraphs 12, 81, 83 and 84. An entity shall apply those amendments for annual periods beginning on or after **July 1, 2012**. Earlier application is permitted.
PAS 2	Inventories	01/01/05	This Standard prescribes the accounting treatment for inventories. A primary issue in accounting for inventories is the amount of cost to be recognized as an asset and carried forward until the related revenues are recognized. This Standard provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.
PAS 7	Statement of Cash Flows	01/01/05	Information about the cash flows of an entity is useful in providing users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilize those cash flows. The economic decisions that are taken by users require an evaluation of the ability of an entity to generate cash and cash equivalents and the timing and certainty of their generation. This Standard requires the provision of information about the historical changes in cash and cash equivalents of an entity by means of a statement of cash flows which classifies cash flows during the period from operating, investing and financing activities.
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	01/01/05	This Standard prescribes the criteria for selecting and changing accounting policies, together with the accounting treatments and disclosure of changes in accounting policies, changes in accounting estimates and correction of errors. The Standard is intended to enhance the relevance and reliability of an entity's financial statements, and the comparability of those financial statements over time and with the financial statements over time and with the financial statements of other entities.

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			Disclosure requirements for accounting policies, except those for changes in accounting policies, are set out in PAS 1 Presentation of Financial Statements.
PAS 10	Events after the Balance Sheet Date	01/01/05	This Standard prescribes: a) when an entity should adjust its financial statements for events after the balance sheet date; and b) the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the balance sheet date. The Standard also requires that an entity should not prepare its financial statements on a going concern basis if events after the balance sheet date indicate that the going concern assumption is not appropriate.
PAS 11	Construction Contracts	01/01/05	This Standard prescribes the accounting treatment of revenue and costs associated with construction contracts. Because of the nature of the activity undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. Therefore, the primary issue in accounting for construction contracts is the allocation of contract revenue and contract costs to the accounting periods in which construction work is performed. This Standard uses the recognition criteria established in the *Framework for the Preparation and Presentation of Financial Statements* to determine when contract revenue and contract costs should be recognized as revenue and expenses in the income statement. It also provides practical guidance on the application of these criteria.
PAS 12	Income Taxes	01/01/05	This Standard prescribes the accounting treatment for income taxes. The principal issue in accounting for income taxes is how to account for the current and future tax consequences of: a) the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognized in an entity's statement of financial position; and b) transactions and other events of the current period that are recognized in an entity's financial statements. It is inherent in the recognition of an asset or liability that the reporting entity expects to recover or settle the carrying amount of that asset or liability. If it is probable that recovery or settlement of that carrying amount will make future tax payments larger (smaller) than they would be if such recovery or settlement were to have no tax consequences, this Standard requires an entity to recognize a deferred tax liability (deferred tax asset), with certain limited exceptions. This Standard requires an entity to account for the tax consequences or transactions and other events in the same way that it accounts for the transactions and other events themselves. Thus, for

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			transactions and other events recognized in profit or loss, any related tax effects are also recognized in profit or loss. For transactions and other events recognized outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognized outside profit or loss (either in other comprehensive income or directly in equity, respectively). Similarly, the recognition of deferred tax assets and liabilities in a business combination affects the amount of the bargain purchase gain recognized. This Standard also deals with the recognition of deferred tax assets arising from unused tax losses or unused tax credits, the presentation of income taxes in the financial statements and the disclosures of information relating to income taxes.
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	01/01/12	PAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in PAS 40, Investment Property. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be, be through sale. As a result of the amendments, SIC-21 Income Taxes - Recovery of Revalued Non-Depreciable Assets would no longer apply to investment properties carried at fair value. The amendments also incorporate into PAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn. The amendments are effective from **January 1, 2012**. Earlier application is permitted.
PAS 16	Property, Plant and Equipment	01/01/05	This Standard prescribes the accounting treatment for property, plant and equipment so that users of the financial statements can discern information about an entity's investment in its property, plant and equipment and the changes in such investment. The principal issues in accounting for property, plant and equipment are the recognition of the assets, the determination of their carrying amounts and the depreciation charges and impairment losses to be recognized in relation to them.
PAS 17	Leases	01/01/05	This Standard prescribes, for lessees and lessors, the appropriate accounting policies and disclosures to apply in relation to leases.
PAS 18	Revenue	01/01/05	Income is defined in the Framework for the Preparation and Presentation of Financial Statements as increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants. Income encompasses both revenue and gains. Revenue is income that arises in the course of ordinary activities of an entity and is referred to by a variety of different names including sales, fees, interest, dividends and royalties. This Standard prescribes the accounting treatment of revenue arising from certain types of transactions and events. The primary issue in accounting for revenue is determining when to recognize revenue. Revenue is

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			recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. This Standard identifies the circumstances in which these criteria will be met and, therefore, revenue will be recognized. It also provides practical guidance on the application of these criteria.
PAS 19	Employee Benefits	01/01/05	This Standard prescribes the accounting and disclosure for employee benefits. It requires an entity to recognize: a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and b) an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	01/01/06	Amendment to PAS 19, Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures *Actuarial gains and losses*. The amendment permits an additional option of recognizing actuarial gains and losses in full in the period in which they occur, outside profit or loss, in a statement of recognized income and expense (similar to the U.K. requirement). PAS 19 currently requires actuarial gains and losses to be recognized in profit or loss either (a) immediately in the period in which they occur, or (b) on a deferred basis (i.e., spread forward over the service lives of the employees, similar to U.S. GAAP). Group plans. The amendment requires a group entity that participates in a defined benefit plan that shares risks between entities under common control (i.e., a parent and subsidiaries) to obtain information about the plan as a whole measured in accordance with PAS 19. If there is a contractual agreement or policy for charging the cost for the plan as a whole to individual group entities, the group entity, in its separate or individual financial statements, will recognize the cost so charged. If there is no such agreement or policy, the cost will be recognized in the separate or individual financial statements of the group entity that is legally the sponsoring employer for the plan. The other group entities will, in their separate or individual financial statements, recognize a cost equal to their contribution payable for the period. *Additional disclosures*. The amendment requires additional disclosures (a) about trends in the assets and liabilities in a defined benefit plan and the assumptions underlying the components of the defined benefit cost; and (b) that bring the disclosures in PAS 19 closer to those required by U.S. SFAS 132, Employers' Disclosures about Pensions and Other Postretirement Benefits.
PAS 19 (Amended)	Employee Benefits	01/01/13	This Standard prescribes the accounting and disclosure for employee benefits. It requires an entity to recognize: a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and

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			b) an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits. Key changes to this Standard include: • Removal of corridor approach • Immediate recognition of past service costs • Presentation of remeasurements on defined benefit plans in other comprehensive income • New recognition criteria on termination benefits • Improved disclosure requirements The amended standard comes into effect for accounting periods beginning on or after **January 1, 2013**. Earlier application is permitted.
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance	01/01/05	This Standard shall be applied in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance.
PAS 21	The Effects of Changes in Foreign Exchange Rates	01/01/05	An entity may carry on foreign activities in two ways. It may have transactions in foreign currencies or it may have foreign operations. In addition, an entity may present its financial statements in a foreign currency. This Standard prescribes how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency. The principal issues are which exchange rate(s) to use and how to report the effects of changes in exhange rates in the financial statements.
	Amendment: Net Investment in a Foreign Operation	01/01/06	Net Investment in a Foreign Operation (Amendment to IAS 21), issued in December 2005, added paragraph 15A and amended paragraph 33.
PAS 23 (Revised)	Borrowing Costs	01/01/09	This Standard prescribes that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall form part of the cost of that asset. Other borrowing costs are recognized as an expense. The main change from the previous version is the removal of the option of immediately recognizing as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is one that takes a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalize such borrowing costs as part of the cost of the asset. The revised Standard does not require the capitalization of borrowing costs relating to assets

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			measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale. The revised Standard applies to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after **January 1, 2009**. Earlier application is permitted.
PAS 24 (Revised)	Related Party Disclosures	01/01/11	This Standard ensures that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. The standard was revised in response to concerns that the previous disclosure requirements and the definition of a 'related party' were too complex and difficult to apply in practice, especially in environments where government control is pervasive. The revised standard addresses these concerns by providing a partial exemption for government-related entities and by providing by simplifying the definition of a related party and removing inconsistencies. The revised standard is effective for annual periods beginning on or after **January 1, 2011**, with earlier application permitted.
PAS 26	Accounting and Reporting by Retirement Benefit Plans	01/01/05	This Standard shall be applied in the financial statements of retirement benefit plans where such financial statements are prepared.
PAS 27 (Revised)	Consolidated and Separate Financial Statements	07/01/09	This Standard shall be applied in the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent. The revised Standard supersedes the existing PAS 27 and is effective **July 1, 2009**. Entities are permitted to adopt the revised Standards earlier.
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	01/01/09	The amendments for determining the cost of an investment in the separate financial statements respond to concerns that retrospectively determining cost and applying the cost method in accordance with PAS 27 on first-time adoption of PFRSs cannot, in some circumstances, be achieved without undue cost or effort. The amendments address that issue: • by allowing first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements; and • by removing the definition of the cost method from PAS 27 and replacing it with a requirement to present dividends as income in the separate financial statements of the investor. The amendments to PAS 27 also respond to queries regarding the initial measurement of cost in

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			the separate financial statements of a new parent formed as the result of a specific type of reorganization. The amendments require the new parent to measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items of the previous parent at the date of the reorganization.
PAS 27 (Amended)	Separate Financial Statements	01/01/13	This Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. PAS 27 was amended to contain requirements relating only to separate financial statements. The revisions require the acquirer to expense direct acquisition costs as incurred; to revalue to fair value any pre-existing ownership in an acquired company at the date on which the Company takes control, and record the resulting gain or loss in net income; to record in net income adjustments to contingent consideration which occur after completion of the purchase price allocation; to record directly in equity the effect of transactions after taking control of the acquiree which increase or decrease the Company's interest but do not affect control; to revalue upon divesting control any retained shareholding in the divested company at fair value and record the resulting gain or loss in net income; and to attribute to non-controlling shareholders their share of any deficit in the equity of a non wholly-owned subsidiary. The Company is in the process of assessing whether there will be any material changes to its financial statements upon their adoption. The amended standard is applicable to annual periods beginning on or after **January 1, 2013**. Earlier application is permitted.
PAS 28	Investments in Associates	01/01/05	This Standard shall be applied in accounting for investments in associates. However, it does not apply to investments in associates held by: a) venture capital organizations, or b) mutual funds, unit trusts and similar entities including investment-linked insurance funds that upon initial recognition are designated as at fair value through profit or loss or are classified as held for trading and accounted for in accordance with PAS 39 Financial Instruments: Recognition and Measurement. Such investments shall be measured at fair value in accordance with PAS 39, with changes in fair value recognized in profit or loss in the period of the change. An entity holding such an investment shall make the disclosures required by paragraph 37(f).
PAS 28 (Amended)	Investments in Associates and Joint Ventures	01/01/13	This Standard was amended to incorporate accounting requirements for joint ventures. Once an entity has determined that it has an interest in a joint venture, it accounts for the investment using the equity method in accordance with IAS 28 (amended in 2011). The amended standard is applicable to annual periods beginning on or after **January 1, 2013**. Earlier application is permitted.
PAS 29	Financial Reporting in	01/01/05	This Standard shall be applied to the financial statements, including the consolidated financial

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	Hyperinflationary Economies		statements, of any entity whose functional currency is the currency of a hyperinflationary economy.
PAS 31	Interests in Joint Ventures	01/01/05	This Standard shall be applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of venturers and investors, regardless of the structures or forms under which the joint venture activities take place.
PAS 32	Financial Instruments: Disclosure and Presentation	01/01/05	This Standard establishes principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. The principles in this Standard complement the principles for recognizing and measuring financial assets and financial liabilities in PAS 39 *Financial Instruments: Recognition and Measurement*, and for disclosing information about them in PFRS 7 *Financial Instruments: Disclosures*.
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	01/01/09	PAS 32 requires a financial instrument to be classified as a liability if the holder of that instrument can require the issuer to redeem it for cash. This principle works well in most situations. However, many financial instruments that would usually be considered equity, including some ordinary or common shares and partnership interests, allow the holder to 'put' the instrument (to require the issuer to redeem it for cash). Currently these financial instruments are considered liabilities, rather than equity. The amendments apply for annual periods beginning on or after **January 1, 2009**, with earlier application permitted. If an entity applies these amendments for a period beginning before January 1, 2009 it shall disclose that fact and apply the related amendments to PAS 39, Financial Instruments: Recognition and Measurement, PFRS 7 Financial Instruments: Disclosures, and Philippine Interpretation IFRIC–2, Members' Shares in Co-operative Entities and Similar Instruments, at the same time.
	Amendment to PAS 32: Classification of Rights Issues	02/01/10	This amendment to IAS 32, *Financial Instruments: Presentation,* addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment issued today requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.
PAS 33	Earnings per Share	01/01/05	This standard prescribes principles for the determination and presentation of earnings per share, so as to improve performance comparisons between different entities in the same reporting period and between different reporting periods for the same entity. Even though earnings per share data have limitations because of the different accounting policies that may be used for determining 'earnings', a consistently determined denominator of the earnings per share calculation.
PAS 34	Interim Financial Reporting	01/01/05	This Standard prescribes the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an

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			interim period. Timely and reliable interim financial reporting improves the ability of investors, creditors, and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.
PAS 36	Impairment of Assets	01/01/05	This Standard prescribes the procedures that an entity applies to ensure that its assets are carried at no more than their recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and the Standard requires the entity to recognize an impairment loss. The Standard also specifies when an entity should reverse an impairment loss and prescribes disclosures.
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	01/01/05	This Standard ensures that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the note to enable users to understand their nature, timing and amount.
PAS 38	Intangible Assets	01/01/05	This Standard prescribes the accounting treatment for intangible assets that are not dealt with specifically in another Standard. This Standard requires an entity to recognize and intangible asset if, and only if, specified criteria are met. The Standard also specifies how to measure the carrying amount of intangible assets and requires specified disclosures about intangible assets.
PAS 39	Financial Instruments: Recognition and Measurement	01/01/05	This Standard establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. Requirements for presenting information about financial instruments are in IAS 32 *Financial Instruments: Presentation*. Requirements for disclosing information about financial instruments are in IFRS 7 *Financial Instruments: Disclosures*.
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	01/01/05	Amendment to PAS 39, Financial Instruments: Recognition and Measurement – Transition and Initial Recognition of Financial Assets and Financial Liabilities. The amendment provides transitional relief from retrospective application of the 'day 1' gain and loss recognition requirements by allowing entities to adopt a transition option that is easier to implement than that in the previous version of PAS 39. It gives entities a choice of applying the 'day 1' gain or loss recognition requirements in PAS 39: a) retrospectively (as currently required by PAS 39); b) prospectively to transactions entered into after 25 October 25, 2002; or c) prospectively to transactions entered into after January 1, 2004.
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	01/01/06	The amendments allow entities to use hedge accounting for foreign currency risk in a way that matches current risk management practice.
	Amendments to PAS 39: The Fair Value Option	01/01/06	The use of the fair value option has been limited to those financial instruments that meet certain conditions. The conditions that are required to be met under the amendments are: where such designation eliminates or significantly reduces an accounting mismatch, when a group of

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			financial assets, financial liabilities or both are managed and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy, and when an instrument contains an embedded derivative that meets particular conditions.
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	01/01/06	The amendments are intended to ensure that issuers of financial guarantee contracts include the resulting liabilities in their balance sheet. Some highlights: • A financial guarantee contract is a 'contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument'. These contracts could have various legal forms, including a guarantee, some types of letter of credit, or a credit insurance contract. • The amendments to IAS 39 require the issuer of a financial guarantee contract to measure the contract initially at fair value and subsequently at the higher of (a) the amount determined in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets and (b) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IAS 18, Revenue. • If an issuer has previously asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts, the issuer may elect to apply to such contracts either IFRS 4 or the IAS 39 accounting described above.
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	07/01/08	The amendments to PAS 39 permit an entity to: • reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing it in the near term in particular circumstances. • transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. For Philippine financial reporting purposes, the amendments to PAS 39 are effective from **July 1, 2008**. Entities are not permitted to reclassify financial assets in accordance with the amendments before July 1, 2008. Any reclassification of a financial asset made in periods beginning on or after November 15, 2008 will take effect only from the date the reclassification is made. The amendments to PAS 39 differ from the amendments to IAS 39 which uses a November 1, 2008 "cut-off date." Since the FRSC only adopted the amendments on October 29, 2008, the Council decided to change the "cut-off date" for Philippine financial reporting purposes to November 15, 2008. The November 15, 2008 "cut-off date" approximates the period between October 13, 2008, the date when IASB amendments were issued, and November 1, 2008. Philippine reporting entities should note that use of the November 15, 2008 "cut-off date" would not be in accordance with IFRSs. Accordingly, a Philippine entity that will present financial

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			statements in accordance with IFRSs (e.g., for IPO purposes) would have to use the November 1, 2008 "cut-off date" in the IAS 39 amendments to be in compliance with IFRSs.
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	07/01/08	Reclassification of Financial Assets (Amendments to IAS 39 and IFRS 7), issued in October 2008, amended paragraphs 50 and AG8, and added paragraphs 50B-50F. An entity shall apply those amendments from **1 July 2008**. An entity shall not reclassify a financial asset in accordance with paragraph 50B, 50D or 50E before 1 July 2008. Any reclassification of a financial asset made in periods beginning on or after 1 November 2008 shall take effect only from the date when the reclassification is made. Any reclassification of a financial asset in accordance with paragraph 50B, 50D or 50E shall not be applied retrospectively to reporting periods ended before the effective date set out in this paragraph.
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives	06/30/09	The reclassification amendment allows entities to reclassify particular financial instruments out of the 'at fair value through profit or loss' category in specific circumstances. The amendments to IFRIC 9 and IAS 39 clarify that on reclassification of a financial asset out of the 'at fair value through profit or loss' category all embedded derivatives have to be assessed and, if necessary, separately accounted for in the financial statements. The amendments set out in Embedded Derivatives apply retrospectively and are required to be applied for annual periods ending on or after **30 June 2009**.
	Amendment to PAS 39: Eligible Hedged Items	07/01/09	The amendment provides additional guidance on what can be designated as a hedged item. The IASB has therefore focused on developing application guidance to illustrate how the principles underlying hedge accounting should be applied in those situations.
PAS 40	Investment Property	01/01/05	This Standard prescribes the accounting treatment for investment property and related disclosure requirements.
PAS 41	Agriculture	01/01/05	This Standard prescribes the accounting treatment and disclosures related to agricultural activity.

Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS)	Title	Effective Date	Brief Description
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	07/01/09	This Standard ensures that an entity's first PFRS financial statements, and its interim financial reports for part of the period covered by those financial statements, contain high quality information that: a) is transparent for users and comparable over all periods presented; b) provides a suitable starting point for accounting in accordance with International Financial Reporting Standards (IFRSs); and

Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS)	Title	Effective Date	Brief Description
			c) can be generated at a cost that does not exceed the benefits.
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	01/01/09	The amendments for determining the cost of an investment in the separate financial statements respond to concerns that retrospectively determining cost and applying the cost method in accordance with PAS 27 on first-time adoption of PFRSs cannot, in some circumstances, be achieved without undue cost or effort. The amendments address that issue: • by allowing first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements; and • by removing the definition of the cost method from PAS 27 and replacing it with a requirement to present dividends as income in the separate financial statements of the investor. The amendments to PAS 27 also respond to queries regarding the initial measurement of cost in the separate financial statements of a new parent formed as the result of a specific type of reorganization. The amendments require the new parent to measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items of the previous parent at the date of the reorganization.
	PFRS 1(revised) **Amendments to PFRS 1:** Additional Exemptions for First-time Adopters	01/01/10	The amendments: • exempt entities using the full cost method from retrospective application of IFRSs for oil and gas assets. • exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4 *Determining whether an Arrangement contains a Lease* when the application of their national accounting requirements produced the same result.
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters	07/01/10	The amendment relieves first-time adopters of IFRSs from providing the additional disclosures introduced in Amendments to IFRS 7: *Improving Disclosures about Financial Instruments*. It thereby ensures that first-time adopters benefit from the same transition provisions that Amendments to IFRS 7 provides to current IFRS preparers. Additionally, the amendment to IFRS 1 clarifies the IASB's conclusions and intended transition for Amendments to IFRS 7.
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters	07/01/11	The first amendment replaces references to a fixed date of 1 January 2004 with the date of transition to IFRSs, thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS)	Title	Effective Date	Brief Description
			The amendments are effective from **July 1, 2011**. Earlier application is permitted.
PFRS 2	Share-based Payment	01/01/05	This standard specifies the financial reporting by an entity when it undertakes a share-based payment transaction. In particular, it requires an entity to reflect in its profit or loss and financial position the effects of share-based payment transactions, including expenses associated with transactions in which share options are granted to employees.
	Amendments to PFRS 2: Vesting Conditions and Cancellations	01/01/09	This provides guidance on the implementation of IFRS 2 on the determination of whether a condition is a vesting condition and on the accounting treatment for conditions that are not vesting conditions.
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions	01/01/10	The amendments clarify: . The scope of PFRS 2. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and regardless of whether the transaction is equity-settled or cashsettled. . The interaction of PFRS 2 and other standards. In PFRS 2, a 'group' has the same meaning as in PAS 27, Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries. The amendments to PFRS 2 also incorporate guidance previously included in IFRIC 8, Scope of PFRS 2, and IFRIC 11, PFRS 2-Group and Treasury Share Transactions. As a result, the IASB has withdrawn IFRIC 8 AND IFRIC 11. Entities shall apply these amendments to all share-based payments within the scope of PFRS 2 for annual periods beginning on or after **1 January 2010**. Earlier application is permitted.
PFRS 3 (Revised)	Business Combinations	07/01/09	This standard improves the relevance, reliability and comparability of the information that a reporting entity provides in its financial statement about a business combination and its effects. To accomplish that, this PFRS establishes principles and requirements for how the acquirer: a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The revised Standards supersede the existing PFRS 3 and PAS 27, respectively, effective **July 1, 2009**. Entities are permitted to adopt the revised Standards earlier.

Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS)	Title	Effective Date	Brief Description
			Business combinations are an important feature of the capital markets. Over the past decade the average annual value of corporate acquisitions worldwide has been the equivalent of 8-10 per cent of the total market capitalization of listed securities. The revised PFRS 3 reinforces the existing PFRS 3 model but remedies problems that have emerged in its application.
PFRS 4	Insurance Contracts	01/01/05	This Standard specifies the financial reporting for insurance contracts by any entity that issues such contracts (described in this PFRS as an insurer) until the Board completes the second phase of its project on insurance contracts. In particular, this PFRS requires: a) limited improvements to accounting by insurers for insurance contracts; and b) disclosure that identifies and explains the amounts in an insurer's financial statements arising from insurance contracts and helps users of those financial statements understand the amount, timing and uncertainty of future cash flows from insurance contracts.
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	01/01/06	The amendments are intended to ensure that issuers of financial guarantee contracts include the resulting liabilities in their balance sheet. Some highlights: • A financial guarantee contract is a 'contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument'. These contracts could have various legal forms, including a guarantee, some types of letter of credit, or a credit insurance contract. • The amendments to PAS 39 require the issuer of a financial guarantee contract to measure the contract initially at fair value and subsequently at the higher of (a) the amount determined in accordance with PAS 37, Provisions, Contingent Liabilities and Contingent Assets and (b) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with PAS 18, Revenue. • If an issuer has previously asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts, the issuer may elect to apply to such contracts either PFRS 4 or the PAS 39 accounting described above.
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	01/01/05	This Standard prescribes the accounting for assets held for sale, and the presentation and disclosure of discontinued operations. In particular, the PFRS requires: a) assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets to cease; and b) assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of comprehensive income.
PFRS 6	Exploration for and	01/01/06	The Standard:

Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS)	Title	Effective Date	Brief Description
	Evaluation of Mineral Resources		• permits an entity to develop an accounting policy for exploration and evaluation assets without specifically considering the requirements of paragraphs 11 and 12 of PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Thus, an entity adopting PFRS 6 may continue to use the accounting policies applied immediately before adopting the PFRS. This includes continuing to use recognition and measurement practices that are part of those accounting policies. • requires entities recognizing exploration and evaluation assets to perform an impairment test on those assets when facts and circumstances suggest that the carrying amount of the assets may exceed their recoverable amount. • varies the recognition of impairment from that in PAS 36, Impairment of Assets, but measures the impairment in accordance with that Standard once the impairment is identified. • requires disclosure of information that identifies and explains the amounts recognized in its financial statements arising from the exploration for and evaluation of mineral resources, including (a) its accounting policies for exploration and evaluation expenditures including the recognition of exploration and evaluation assets, and (b) the amounts of assets, liabilities, income and expense and operating and investing cash flows arising from the exploration for and evaluation of mineral resources.
PFRS 7	Financial Instruments: Disclosures	01/01/07	This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: a) the significance of financial instruments for the entity's financial position and performance; and b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The principles in this Standard complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in PAS 32 Financial Instruments: Presentation and PAS 39 Financial Instruments: Recognition and Measurement.
	Amendments to PFRS 7: Transition	01/01/07	PFRS 7 consolidates the existing disclosure requirements of PAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institution, and PAS 32, Financial Instruments: Disclosure and Presentation and adds some significant and challenging new disclosures. Concerns were raised on the requirement to present comparative information for the disclosures required by PFRS 7. PFRS 7 was approved in December 2005 and is effective for annual periods beginning on or after January 1, 2007. The Council acknowledged that entities may not have sufficient time to gather the required information to be presented for comparative purposes. New systems and processes to capture the required data particularly for some of the more complex disclosures may not yet be in place, requiring more time for information gathering. In response to these concerns, a transition relief was given with respect to the presentation of comparative information for the new risk disclosures about the nature and extent of risks arising from financial instruments in paragraphs 31–42 of PFRS 7. Accordingly, an entity that applies PFRS 7

Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS)	Title	Effective Date	Brief Description
			for annual periods beginning on or after **January 1, 2007** need not present comparative information for the disclosures required by paragraphs 31-42, unless the disclosure was previously required under PAS 30 or PAS 32.
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	07/01/08	The amendments to PAS 39 permit an entity to: • reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing it in the near term in particular circumstances. • transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. For Philippine financial reporting purposes, the amendments to PAS 39 are effective from **July 1, 2008**. Entities are not permitted to reclassify financial assets in accordance with the amendments before July 1, 2008. Any reclassification of a financial asset made in periods beginning on or after November 15, 2008 will take effect only from the date the reclassification is made. The amendments to PAS 39 differ from the amendments to IAS 39 which uses a November 1, 2008 "cut-off date." Since the FRSC only adopted the amendments on October 29, 2008, the Council decided to change the "cut-off date" for Philippine financial reporting purposes to November 15, 2008. The November 15, 2008 "cut-off date" approximates the period between October 13, 2008, the date when IASB amendments were issued, and November 1, 2008. Philippine reporting entities should note that use of the November 15, 2008 "cut-off date" would not be in accordance with IFRSs. Accordingly, a Philippine entity that will present financial statements in accordance with IFRSs (e.g., for IPO purposes) would have to use the November 1, 2008 "cut-off date" in the IAS 39 amendments to be in compliance with IFRSs.
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	07/01/08	Reclassification of Financial Assets (Amendments to PAS 39 and IFRS 7), issued in October 2008, amended paragraphs 50 and AG8, and added paragraphs 50B-50F. An entity shall apply those amendments from **1 July 2008**. An entity shall not reclassify a financial asset in accordance with paragraph 50B, 50D or 50E before 1 July 2008. Any reclassification of a financial asset made in periods beginning on or after 1 November 2008 shall take effect only from the date when the reclassification is made. Any reclassification of a financial asset in accordance with paragraph 50B, 50D or 50E shall not be applied retrospectively to reporting periods ended before the effective date set out in this paragraph.
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	01/01/09	The amendments introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value measurements. These disclosures will help to improve comparability between entities about the

Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS)	Title	Effective Date	Brief Description
			effects of fair value measurements. In addition, the amendments clarify and enhance the existing requirements for the disclosure of liquidity risk. This is aimed at ensuring that the information disclosed enables users of an entity's financial statements to evaluate the nature and extent of liquidity risk arising from financial instruments and how the entity manages that risk. The amendments to PFRS 7 apply for annual periods beginning on or after **1 January 2009**. However, an entity will not be required to provide comparative disclosures in the first year of application.
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	07/01/11	The amendments allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.
PFRS 8	Operating Segments	01/01/09	The Standard requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. Generally, the information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the income statement and balance sheet. The Standard therefore requires explanations of the basis on which the segment information is prepared and reconciliations to the amounts recognized in the income statement and balance sheet. PFRS 8 applies to annual financial statements for periods beginning on or after **January 1, 2009**. The Standard, which applies to listed companies, replaces PAS 14, Segment Reporting.
PFRS 9	Financial Instruments	01/01/13	The standard introduces new requirements on the classification and measurement of financial assets. It uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in PAS 39, *Financial Instruments: Recognition and Measurement*. The approach in the new standard is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in PAS 39. The standard is for mandatory adoption by **January 1, 2013**. Earlier application is permitted for financial statements beginning on or after January 1, 2010 in the Philippines.
PFRS 10	Consolidated Financial Statements	01/01/13	This Standard is developed to eliminate perceived conflict on concept of consolidation between PAS 27, Consolidated and Separate Financial Statements (amended in 2008) and SIC-12, Consolidation - Special Purpose Entities. PAS 27 (amended in 2008) requires consolidation of entities based on control whereas SIC-12 mandates consolidation of entities based on risks and rewards.

Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS)	Title	Effective Date	Brief Description
			The new standard is applicable to annual periods beginning on or after **January 1, 2013**. Earlier application is permitted.
PFRS 11	Joint Arrangements	01/01/13	This Standard requires an entity to account joint arrangement based on its rights and obligations arising from the arrangement rather than based on the structure of the arrangement as required by PAS 31, Interests in Joint Ventures. The new standard has removed the option to account jointly controlled entities using either proportionate consolidation or equity method. The new standard is applicable to annual periods beginning on or after **January 1, 2013**. Earlier application is permitted.
PFRS 12	Disclosure of Interests in Other Entities	01/01/13	This Standard prescribes all of the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. The new standard is applicable to annual periods beginning on or after **January 1, 2013**. Earlier application is permitted.
PFRS 13	Fair Value Measurement	01/01/13	This Standard was developed to eliminate inconsistencies of fair value measurements dispersed in various existing PFRSs. It clarifies the definition of fair value, provides a single framework for measuring fair value and enhances fair value disclosures. The new standard is applicable to annual periods beginning on or after **January 1, 2013**. Earlier application is permitted.

Philippine Interpretations	Title	Effective Date	Brief Description
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	01/01/05	The Interpretation addresses the accounting for changes in existing decommissioning, restoration and similar liabilities that fall within the scope of PAS 16, Property, Plant and Equipment, and are recognized as a provision under PAS 37, Provisions, Contingent Liabilities and Contingent Assets. For example, the operator of a nuclear power plant recognizes a provision for decommissioning costs that it expects to incur in the future, and includes an equivalent amount in the cost of the power plant. PAS 37 requires the amount recognized as a provision to be the best estimate of the expenditure required to settle the obligation at the balance sheet date and is measured at its present value. The Interpretation deals with the following changes in an existing liability for such costs: • Changes in the estimated outflows of resources embodying economic benefits (e.g., the estimated costs of decommissioning a nuclear power plant may vary significantly both in timing and amount); and changes to the current market-based discount rate – For PPE based on cost, changes are required to be capitalized as part of the cost of the item and depreciated prospectively over the remaining life of the item to which they relate. For PPE based on fair value, a change in the liability alters the revaluation surplus or deficit on the item (not the valuation of the item for accounting purposes). The effect of

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			the change is treated consistently with other revaluation surpluses or deficits. Any cumulative deficit is taken to profit or loss, but any cumulative surplus is credited to equity. • Increase in the liability that reflects the passage of time (the unwinding of the discount) – This is recognized in profit or loss as a finance cost as it occurs.
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments	01/01/05	The Interpretation states that members' shares would be classified as equity in the absence of the members' right to request redemption if either of the following conditions is met: (a) the entity has an unconditional right to refuse redemption of the members' shares; or (b) redemption is unconditionally prohibited by local law, regulation or the entity's governing charter. However, provisions in local law or regulations or the entity's governing charter that prohibit redemption only if conditions (e.g., liquidity constraints) are met (or are not met) do not result in members' shares being equity.
IFRIC 4	Determining Whether an Arrangement Contains a Lease	01/01/06	This Interpretation provides guidance for determining whether an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset (e.g., an item of property, plant or equipment) in return for a payment or series of payments, is or contains, a lease that should be accounted for in accordance with PAS 17, Leases. Examples of such arrangements are outsourcing arrangements or take-or-pay and similar contracts. The Interpretation addresses how to determine whether an arrangement is, or contains a lease; when such assessment or a reassessment should be made; and if an arrangement is, or contains, a lease, how the payments for the lease should be separated from payments for any other elements in thecontract.
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	01/01/06	This Interpretation provides guidance on accounting by a contributor, for interests in decommissioning, restoration and environmental rehabilitation funds. Such funds are intended to segregate assets to fund some or all of the costs of decommissioning a plant (e.g., a nuclear plant) or certain equipment (e.g., cars), or in undertaking environmental rehabilitation. The Interpretation addresses how a contributor should account for its interest in a fund and how to account for an obligation to make additional contributions.
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*	12/01/05	This Interpretation gives guidance on the accounting for liabilities for waste management costs, specifically, the recognition of liabilities for waste management under the European Union's Directive on Waste Electrical and Electronic Equipment, (i.e. waste arising from products sold on or before August 13, 2005). It concludes that the obligating event that triggers liability recognition in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is participation in the market during a measurement period (rather than the production or sale of the equipment, nor the incurrence of waste management costs).
IFRIC 7	*Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*	03/01/06	This Interpretation provides guidance on how to apply the requirements of PAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when that economy was not hyperinflationary in the prior period. The Interpretation addresses how comparative amounts in financial statements and how deferred tax items in the opening balance sheet should be restated.
IFRIC 8	Scope of PFRS 2	05/01/06	The Interpretation clarifies that PFRS 2, *Share-based Payment*, applies to share-based payment

Philippine Interpretations	Title	Effective Date	Brief Description
			transactions in which the entity cannot specifically identify some or all of the goods or services received. If the value of the identifiable consideration received (if any) appears to be less than the fair value of the equity instruments granted or the liability incurred, this is an indication other consideration (i.e. unidentifiable goods or services) has been (or will be) received which should be measure in accordance with PFRS 2.
IFRIC 9	Reassessment of Embedded Derivatives	06/01/06	The Interpretation clarifies whether an entity should reassess whether an embedded derivative needs to be separated from the host contract after the initial hybrid contract is recognized. It concludes that reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required.
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives	06/30/09	The reclassification amendment allows entities to reclassify particular financial instruments out of the 'at fair value through profit or loss' category in specific circumstances. The amendments to IFRIC 9 and PAS 39 clarify that on reclassification of a financial asset out of the 'at fair value through profit or loss' category all embedded derivatives have to be assessed and, if necessary, separately accounted for in the financial statements. The amendments form part of the IASB's response to views received in the round-table discussions organized jointly with the US Financial Accounting Standards Board in November and December 2008. Participants asked the IASB to clarify the accounting treatment of embedded derivatives in the reclassification amendments in order to avoid divergence in practice. The amendments set out in Embedded Derivatives apply retrospectively and are required to be applied for annual periods ending on or after **30 June 2009**.
IFRIC 10	Interim Financial Reporting and Impairment	11/01/06	Philippine Interpretation IFRIC–10 addresses the apparent conflict between the requirements of PAS 34, *Interim Financial Reporting*, and those in other standards – PAS 36, *Impairment of Assets, and* PAS 39, *Financial Instruments: Recognition and Measurement* – on the recognition and reversal in financial statements of impairment losses on goodwill and certain financial assets. The Interpretation states that any such impairment losses recognized in an interim financial statement must not be reversed in subsequent interim or annual financial statements.
IFRIC 11	PFRS 2- Group and Treasury Share Transactions	03/01/07	The Interpretation addresses how to apply PFRS 2, Share-based Payment, to: • Share-based payment arrangements involving an entity's own equity instruments. The Interpretation provides that when an entity receives services as consideration for rights to its own equity instruments, the transaction is accounted for as equity-settled, regardless of how the equity instruments needed are obtained – whether the entity chooses or is required to purchase equity instruments to satisfy its obligation; the entity or its shareholder(s) grants the right; or the transaction is settled by the entity or by its shareholder(s). • Share-based payment arrangements involving equity instruments of the parent, where:

Philippine Interpretations	Title	Effective Date	Brief Description
			A parent grants rights to its equity instruments to the employees of its subsidiary. The Interpretation provides that the subsidiary accounts for the transaction in its separate financial statements as an equity-settled scheme, only if the consolidated statements treat this as an equity-settled scheme. Employee costs are recognized with a corresponding increase in equity, representing a contribution from the parent. The Interpretation also provides guidance when employees transfer between subsidiaries. A subsidiary grants rights to equity instruments of its parent to its employees. The Interpretation provides that such share-based payment arrangements are accounted for as cash-settled schemes in the entity's financial statements regardless of how the subsidiary obtains the equity instruments to satisfy its obligations to its employees. Philippine Interpretation IFRIC–11 is effective for annual periods beginning on or after **March 1, 2007**, with early application permitted. The Interpretation is applied retrospectively in accordance with PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, subject to the transitional provisions of PFRS 2.
IFRIC 12	Service Concession Arrangements	01/01/08	Service concessions are arrangements whereby a government or other public sector entity grants contracts for the supply of public services, such as roads, airports and energy and water supply and distribution facilities, to private sector operators. Control of the assets remains in the public sector but the private sector operator is responsible for construction activities, as well as for operating and maintaining the public sector infrastructure. The Interpretation addresses how service concession operators should apply existing Philippine Financial Reporting Standards (PFRSs) to account for the obligations they undertake and rights they receive in service concession arrangements. It does not address accounting for the government side of service concession arrangements. Philippine Interpretation IFRIC–12 is effective for annual periods beginning on or after **January 1, 2008**, with earlier application permitted. Changes in accounting policies are accounted for in accordance with PAS 8, i.e., retrospectively. Guidance is provided if it is impracticable for an operator to apply the Interpretation retrospectively at the start of the earliest period presented for any particular service arrangement.
IFRIC 13	Customer Loyalty Programmes	07/01/08	The Interpretation addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services ('awards') to customers who redeem award credits. The Interpretation requires entities to allocate some of the proceeds of the initial sale to the award credits and recognize these proceeds as revenue only when they have fulfilled their obligations. They may fulfill their obligations by supplying awards themselves or engaging (and paying) a third party to do so. The effect of the Interpretation will be to ensure that obligations to supply customer loyalty awards

Philippine Interpretations	Title	Effective Date	Brief Description
			are measured the same way, whether the award credits are sold separately or granted to customers as part of a larger sale. The Interpretation reflects the IFRIC's view that loyalty awards are separately identifiable goods or services for which customers are implicitly paying. The general standard on revenue recognition, IAS 18 Revenue, requires separately identifiable components of sales transactions to be accounted for separately if necessary to reflect the substance of the transactions.
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01/01/08	The Interpretation provides general guidance on how to assess the limit in PAS 19, Employee Benefits, on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected when there is a statutory or contractual minimum funding requirement. The Interpretation will standardize practice and ensure that entities recognize an asset in relation to a surplus on a consistent basis. No additional liability need be recognized by the employer under the Interpretation unless the contributions that are payable under the minimum funding requirement cannot be returned to the company. The Interpretation is likely to have the most impact in cases where there is a minimum funding requirement and where there are restrictions on a company's ability to get refunds or reduce contributions.
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	01/01/11	IFRIC 14, which is itself an interpretation of PAS 19 (*PAS 19–The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*), applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset.
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	10/01/08	The Interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and that apply hedge accounting in accordance with PAS 39. It does not apply to other types of hedge accounting. The IFRIC was asked for guidance on three main issues: • whether risk arises from the foreign currency exposure to the functional currencies of the foreign operation and the parent entity, or from the foreign currency exposure to the functional currency of the foreign operation and the presentation currency of the parent entity's consolidated financial statements. • which entity within a group can hold a hedging instrument in a hedge of a net investment in a foreign operation and, in particular, whether the parent entity holding the net investment in a foreign operation must also hold the hedging instrument. • how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item when the entity disposes of the investment. The main expected change in practice is to eliminate the possibility of an entity applying hedge accounting for a hedge of the foreign exchange differences between the functional currency of a foreign operation and the presentation currency of the parent's consolidated financial statements. The IFRIC recognizes the difficulty that entities would face in preparing adequate

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			documentation from the inception of the hedge relationship and therefore requires prospective application of the guidance.
IFRIC 17	Distributions of Non-cash Assets to Owners	07/01/09	The Interpretation clarifies that: • a dividend payable should be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity. • an entity should measure the dividend payable at the fair value of the net assets to be distributed. an entity should recognize the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. The Interpretation also requires an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation. The Interpretation applies to pro rata distributions of non-cash assets except for common control transactions.
IFRIC 18	Transfers of Assets from Customers	07/01/09	The Interpretation is particularly relevant for the utility sector. It clarifies the requirements of International Financial Reporting Standards (IFRSs) for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both).
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	07/01/10	This interpretation provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. These transactions are often referred to as debt for equity swaps.
SIC-7	Introduction of the Euro	01/01/05	This Interpretation addresses how the introduction of the Euro, resulting from the European Economic and Monetary Union (EMU), affects the application of PAS 21 *The Effects of Changes in Foreign Exchange Rates*. SIC 7 states that the requirements of PAS 21 should be strictly applied when a country joins the EU's Economic and Monetary Union. Therefore: • foreign currency monetary assets and liabilities resulting from transactions continue to be translated into the functional currency at the closing rate. Any resulting exchange differences are recognised as income or expense immediately, except that an entity continues to apply its existing accounting policy for exchange gains and losses related to hedges of the currency risk of a forecast transaction. • cumulative exchange differences relating to the translation of financial statements of foreign operations continue to be classified as equity and are recognised as income or expense only on the disposal of the net investment in the foreign operation; and • exchange differences resulting from translating liabilities denominated in participating currencies are not included in the carrying amount of related assets.

Philippine Interpretations	Title	Effective Date	Brief Description
SIC-10	Government Assistance - No Specific Relation to Operating Activities	01/01/05	In some countries, government assistance to enterprises can be aimed at encouragement or long-term support of business activities either in certain regions or industry sectors. Conditions to receive such assistance may not be specifically related to the operating activities of the enterprise. The issue is whether such government assistance is "a government grant" within the scope of PAS 20 and should therefore be accounted for in accordance with this Standard. Under SIC 10, government assistance to enterprises that is aimed at encouragement or long-term support of business activities either in certain regions or industry sectors meets the definition of government grants in PAS 20. Such grants should therefore not be credited directly to shareholders' interests.
SIC-12	Consolidation - Special Purpose Entities	01/01/05	SIC 12 addresses when a special purpose entity should be consolidated by a reporting enterprise under the consolidation principles in PAS 27. Under SIC 12, an entity must consolidate a special purpose entity ("SPE") when, in substance, the entity controls the SPE. The control of an SPE by an entity may be indicated if: • The SPE conducts its activities to meet the entity's specific needs • The entity has decision-making powers to obtain the majority of the benefits of the SPE's activities • The entity is able to obtain the majority of the benefits of the SPE's activities through an 'auto-pilot' mechanism • By having a right to the majority of the SPE's benefits, the entity is exposed to the SPE's business risks • The entity has the majority of residual interest in the SPE
	Amendment to SIC - 12: Scope of SIC 12	01/01/05	The Amendment includes equity compensation plans within the scope of SIC-12 (previously excluded from SIC-12 scope). Hence, an entity that controls an employee benefit trust (or similar entity) set up for the purposes of a share-based payment arrangement will be required to consolidate that trust. The Amendment also excludes from the scope of SIC-12 other long-term employee benefit plans, which are required to be accounted for in a manner similar to the accounting for post-employment benefit plans under Philippine Accounting Standard (PAS) 19, Employee Benefits, (at present only post-employment benefit plans are excluded from the scope of Interpretation SIC-12).
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	01/01/05	SIC 13 clarifies the circumstances in which the appropriate portion of gains or losses resulting from a contribution of a non-monetary asset to a jointly controlled entity (JCE) in exchange for an equity interest in the JCE should be recognised by the venturer in the income statement.
SIC-15	Operating Leases - Incentives	01/01/05	In SIC-15, the SIC clarifies the recognition of incentives related to operating leases by both the lessee and lessor. The Interpretation indicates that lease incentives (such as rent-free periods or contributions by the lessor to the lessee's relocation costs) should be considered an integral part of the consideration for the use of the leased asset. IAS 17.24 and .42 (rev. 1997) require an enterprise to treat incentives as a reduction of lease income or lease expense. As they are an integral part of the net consideration agreed for the use of the leased asset, incentives should be recognised by both the lessor and the lessee over the lease term, with each party using a single amortisation

Philippine Interpretations	Title	Effective Date	Brief Description
			method applied to the net consideration.
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	01/01/05	SIC 21 deals with cases where a non-depreciable asset (freehold land) is carried at revaluation under PAS 16. No part of the carrying amount of such an asset is considered to be recovered through its use. Therefore, SIC 21 concludes that the deferred tax liability or asset that arises from revaluation must be measured based on the tax consequences that would follow from the sale of the asset rather than through use. In some jurisdictions, this will result in the use of a capital gains tax rate rather than the rate applicable to corporate earnings.
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	01/01/05	A change in the tax status of an enterprise or its shareholders does not give rise to increases or decreases in the pre-tax amounts recognised directly in equity. Therefore, SIC 25 concludes that the current and deferred tax consequences of the change in tax status should be included in net profit or loss for the period. However, where a transaction or event does result in a direct credit or charge to equity, for example the revaluation of property, plant or equipment under PAS 16, the related tax consequence would still be recognised directly in equity.
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	01/01/05	SIC 27 addresses issues that may arise when an arrangement between an enterprise and an investor involves the legal form of a lease.
SIC-29	Service Concession Arrangements: Disclosures.	01/01/05	SIC 29 prescribes the information that should be disclosed in the notes to the financial statements of a concession operator and a concession provider when the two parties are joined by a service concession arrangement. A service concession arrangement exists when an enterprise (the concession operator) agrees with another enterprise (the concession provider) to provide services that give the public access to major economic and social facilities.
SIC-31	Revenue - Barter Transactions Involving Advertising Services	01/01/05	Under PAS 18, revenue cannot be recognized if the amount of revenue is not reliably measurable. SIC 31 deals with the circumstances in which a seller can reliably measure revenue at the fair value of advertising services received or provided in a barter transaction. Under SIC 31, revenue from a barter transaction involving advertising cannot be measured reliably at the fair value of advertising services received.
SIC-32	Intangible Assets - Web Site Costs	01/01/05	SIC 32 concludes that a website developed by an enterprise using internal expenditure, whether for internal or external access, is an internally generated intangible asset that is subject to the requirements of PAS 38. SIC 32 identifies the following stages of website development: • Planning • Application and infrastructure development • Content development • Operating