

TAG-Audit Newsletter

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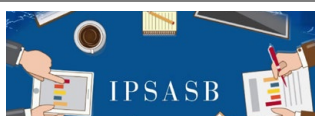
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Economic Reports Point to a Possible Recession

Talal Abu-Ghazaleh

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According to the IMF's World Economic Outlook April 2023 update, global output growth is expected to fall from 3.4% in 2022 to 2.8% in 2023. The report cites monetary tightening, geopolitical tensions, trade disruptions, and financial vulnerabilities as some of the main risks to the recovery. The World Bank's Global Economic Prospects report, released in January 2023, has projected a slowdown in global growth to 2.9% in 2023, down from 3.1% in 2022. The report highlighted the challenges posed by high debt levels, low productivity growth, and environmental degradation.

One of the main factors behind this slowdown is the effect of monetary tightening on the global financial system. In 2022, several central banks, especially in the US and Europe, raised interest rates to curb inflation and stabilize their currencies. However, this also burst several asset bubbles that had been inflated by years of cheap money and quantitative easing. As a result, many borrowers and financial institutions face an interest rate shock that has increased their debt burdens and reduced their profitability.

This is similar to what happened before the great depression that began in 1929, where the Federal Reserve relaxed credit standards and reduced interest rates that led to excessive debt and speculation. By 1929, signs of trouble emerged and investors started to cash out, which led to one of the longest and deepest depressions of all time that originated in the US, but affected every nation across the globe.

Economic Reports

Point to a Possible Recession

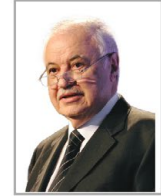
BY: *Talal Abu-Ghazaleh*

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Another factor today is the fragmentation of the global financial system due to geopolitical tensions and deglobalization. The COVID pandemic, the war in Ukraine and the US-Sino rivalry have disrupted global trade, supply chains and cooperation. If the world's largest economies do not cooperate on the financial stabilization of their economies, they could trigger a recession that could lead to more debt and further financial crises that would exacerbate economic stagflation.

I wish to add that as a former member of the "World Trade Organization (WTO) panel on defining the future of trade", I was expecting these recessions and I called for greater multilateral coordination on fiscal and monetary policies that are urgently needed to revive the global economy and to avoid this situation from deteriorating even further.

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Dr. Abu-Ghazaleh Chairs AIMICT's Annual General Assembly Meeting



AMMAN – The Arab International Society for Management Technology (AIMICT) has held its annual General Assembly meeting under the Chairmanship of his Excellency Dr. Talal Abu-Ghazaleh, chair of AIMICT Board of Directors.

In his keynote address, Dr. Abu-Ghazaleh affirmed the significance of digital transformation and Artificial Intelligence, calling for integrating such programs within the Society's training plans and continuously updating them to meet the needs of the labor market.

Dr. Abu-Ghazaleh further affirmed the need to expand the scope of offering AIMICT's training programs to include all Arab youth, and to benefit from Talal Abu-Ghazaleh Global's expertise in the domains that intersect with AIMICT's related fields.

For his part, Mr. Ibrahim Abu Naffa, AIMICT executive director, said that work is underway to translate the instructions of the Chairman of the Board into action plans that primarily concentrate on carrying out AIMICT's mission. He also reviewed the Society's past year activities and achievements and provided a general framework for work plans for the coming year.

A host of members of the Board of Directors took part in discussing the importance of giving more attention to empowerment and capacity

building training, as well as to the strategies for incorporating automation and digital transformation into training programs that can respond to the demands of various target groups.

The attendees expressed their confidence in the AIMICT, represented by its Chairman and cadres, in carrying out training initiatives and offering outstanding consulting services across all sectors. They also responded to Dr. Abu-Ghazaleh's suggestion to form a committee to come up with recommendations for improving the Society's work and activities.

During the meeting, the financial statement and report of the Society for the year ending on December 31, 2022, were discussed and approved. Additionally, the final financial statements and the estimated general budget for 2023 were also reviewed and approved, in addition to the election of Alfaysal Group as the auditor of the Society for the year 2023, and assigning the authorized signatories.

It is worth mentioning that the Arab International Society for Management Technology (AIMICT) was established as a non-profit organization in 1989, in New York, in the United States, and it was officially registered in Amman in 1990. It provides training and consulting services within the concepts of digital transformation and knowledge technology.

IASB begins planned review of financial-crisis-era reform to loan-loss accounting

The International Accounting Standards Board (IASB) on 30 May launched a call for stakeholders' feedback on its post-implementation review of the expected credit loss requirements in IFRS 9 Financial Instruments.

IFRS 9 was developed in response to the global financial crisis, following calls from the G20 and other bodies for more timely recognition of loan losses and a forward-looking impairment model.

The 'expected credit loss' model in IFRS 9 replaced the previous 'incurred credit loss' model, which only allowed credit losses to be recognised when a loss event occurred. Under the incurred credit loss model, the effects of possible future credit loss events were not considered, even when they were expected.

The main objective of the requirements in IFRS 9 is to provide investors with more useful information about a company's expected credit losses. The Accounting Standard requires a company to recognise and update expected credit losses throughout the life of a financial asset, factoring in the losses it expects based on relevant available information. Consequently, investors receive more timely information about expected credit losses.

Disclosures play an important part in providing investors with the information they need about expected credit losses. As a result, the IASB is also seeking stakeholder feedback on related disclosure requirements in IFRS 7 Financial Instruments: Disclosures in this post-implementation review.



IASB Chair Andreas Barckow said:

The expected credit loss model in IFRS 9 represented the IASB's main response to the global financial crisis. It was a large undertaking for banks and other companies to implement it. Initial feedback suggests the model performed well during the covid-19 pandemic; however, we seek feedback from stakeholders around the world to help us assess whether the requirements continue to work as intended.

The IASB conducts post-implementation reviews on all major new accounting requirements after companies have applied them for at least two years.

The review of IFRS 9 is being conducted in three parts. The first part, which covered the classification and measurement requirements, concluded in December 2022. The current review is the second part and covers the impairment requirements. The final part, which will cover hedge accounting, will be held at a later stage.

<https://www.ifrs.org/news-and-events/news/2023/05/iasb-begins-planned-review-of-financial-crisis-era-reform-to-loan-loss-accounting/>

IASB amends tax accounting requirements to help companies respond to international tax reform

The International Accounting Standards Board (IASB) has issued amendments to IAS 12 Income Taxes. The amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform.



The OECD published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. More than 135 countries and jurisdictions representing more than 90% of global GDP have agreed to the Pillar Two model rules.

The IASB has taken urgent action to respond to stakeholders' concerns about the uncertainty over the accounting for deferred taxes arising from the implementation of the rules.

The amendments will introduce:

- a temporary exception—to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules. This will help to ensure consistency in the financial statements while easing into the implementation of the rules; and
- targeted disclosure requirements—to help investors better understand a company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Companies can benefit from the temporary exception immediately but are required to provide the disclosures to investors for annual reporting periods beginning on or after 1 January 2023.

Andreas Barckow, Chair of the IASB, said:

These amendments respond to stakeholder feedback and will ensure that companies are supported during the implementation of the OECD's rules, while enhancing the financial information provided to investors about how these companies are affected by the international tax reform.

We are monitoring developments as jurisdictions implement the Pillar Two model rules. A future maintenance project has been added to the pipeline in which we will revisit the temporary exception and related disclosures.

The IASB has a separate project considering possible amendments to the IFRS for SMEs Accounting Standard related to the OECD tax reform.

IFRS Digital Subscribers and IFRS Digital and Print subscribers can download the document from the IFRS Accounting Standards Navigator and the International Tax Reform—Pillar Two Model Rules project page. IFRS Digital and Print subscribers will be sent a printed copy of the document, and printed copies will also be available to order from the Web Shop. The amendment will be consolidated into IAS 12 in March 2024.

<https://www.ifrs.org/news-and-events/news/2023/05/iasb-amends-tax-accounting-requirements/>

IFRS for SMEs Accounting Standard educational material: the effects of climate-related matters on financial statements



The IFRS Foundation has published educational material to illustrate how the IFRS for SMEs Accounting Standard requires companies to consider climate-related matters that have a material effect on the financial statements.

The educational material has been developed in response to feedback from some members of the SME Implementation Group and respondents to the 2022 Exposure Draft Third edition of the IFRS for SMEs Accounting Standard. This feedback identifies that interest in the potential effects of climate-related matters on SMEs' financial statements is growing among users of those statements.

The material contains a non-exhaustive list of examples of when companies may need to consider climate-related matters in their financial statements and is aimed at supporting the consistent application of the IFRS for SMEs Accounting Standard. It does not add to or change the requirements in the IFRS for SMEs Accounting Standard. The material is based on similar educational material published by the IFRS Foundation to support full IFRS Accounting Standards.

<https://www.ifrs.org/news-and-events/news/2023/05/ifrs-for-smes-accounting-standard-educational-material/>

New IFAC Publication Equips Accountancy Organizations to Lead the Fight Against Corruption



A new tool from the International Federation of Accountants (IFAC) is now available to help professional accountancy organizations take leading roles in the anti-corruption fight in their jurisdictions. *Global Fight, Local Actions: Anti-Corruption Advocacy Workbook for PAOs* equips PAOs and accountancy profession leaders with the background and framework to craft bespoke approaches and messages that best fit their jurisdiction and needs.

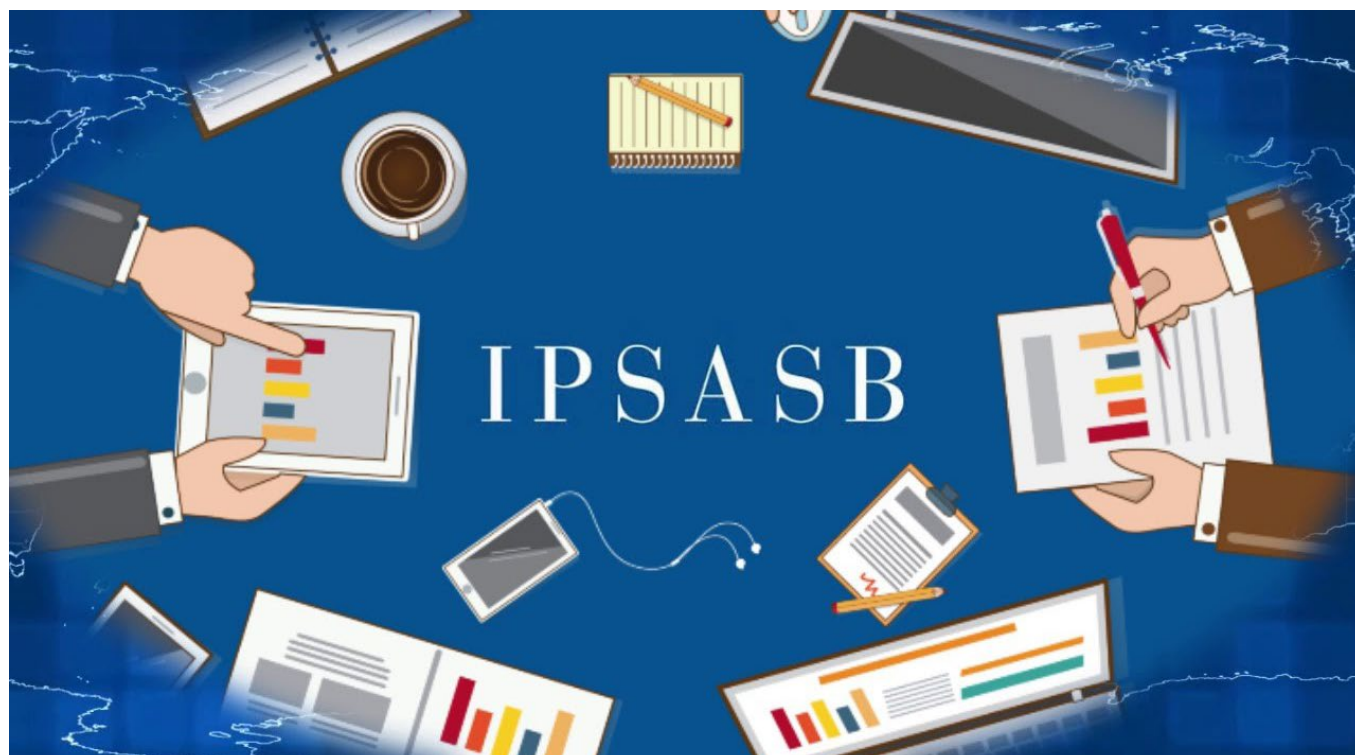
Global Fight, Local Actions was used to facilitate discussion at the annual Pan African Federation of Accountants PAO Leadership Forum as part of a workshop on anti-money laundering and the Financial Action Task Force (FATF) “Grey List.” The PAFA Forum was held in advance of the 2023 African Congress of Accountants, taking place this week in Abidjan, Côte d’Ivoire.

“PAOs and the accountancy profession are essential stakeholders at the center of the fight against corruption, in every jurisdiction, in every region,” said Scott Hanson, Director of Policy & Global Engagement at IFAC. “Equipping our member organizations to lead anti-corruption efforts in their jurisdictions was one of our priority actions in last year’s Action Plan for Fighting Corruption and Economic Crime, which this new workbook delivers. We look forward to talking to PAOs around the world to continue helping them develop their national anti-corruption advocacy plans.”

IFAC also plans to build off *Global Fight, Local Action* with additional initiatives on priority anti-corruption areas, including the interconnected issues of sustainability reporting, public financial management, and financial literacy.

<https://www.ifac.org/news-events/2023-05/new-ifac-publication-equips-accountancy-organizations-lead-fight-against-corruption>

IPSASB ISSUES PACKAGE OF REVENUE AND TRANSFER EXPENSE-RELATED PRONOUNCEMENTS



Updated Conceptual Framework Chapter is effective immediately. IPSAS 47 and IPSAS 48 have an effective date of January 1, 2026. Earlier application is permitted.

The International Public Sector Accounting Standards Board® (IPSASB®), developer of IPSAS®, international accrual-based accounting standards for use by governments and other public sector entities around the world, has issued an integrated package of revenue and transfer expenses pronouncements comprising:

- Updated Conceptual Framework: Chapter 5, Elements in Financial Statements;
- International Public Sector Accounting Standard® (IPSAS®) 47, Revenue; and
- IPSAS 48, Transfer Expenses.

The three pronouncements update and simplify existing principles, while filling gaps in the IPSAS literature, resulting in more consistent guidance for IPSAS users and better support for implementation globally. Informed by stakeholder feedback and refinement over the course of several years, the pronouncements introduce:

- A single up-to-date source of guidance applicable to all revenue transactions across the public sector; and
- A new straightforward accounting model for the recognition and measurement of transfer expenses in the public sector.

“These pronouncements address a significant proportion of transactions for all public sector entities, and their publication is a major milestone in public sector accounting,” said Ian Carruthers, IPSASB Chair. “By providing a robust principle-based approach to accounting for revenue and transfer expense transactions, these pronouncements will help increase the transparency and accountability of public sector transactions around the world.”

The updates to Chapter 5 of the Conceptual Framework revise the definitions of an asset and a liability and add new guidance on the transfer of resources, unit of account, and binding arrangements that are equally unperformed. These changes provide a strong foundation for the guidance in the new standards.

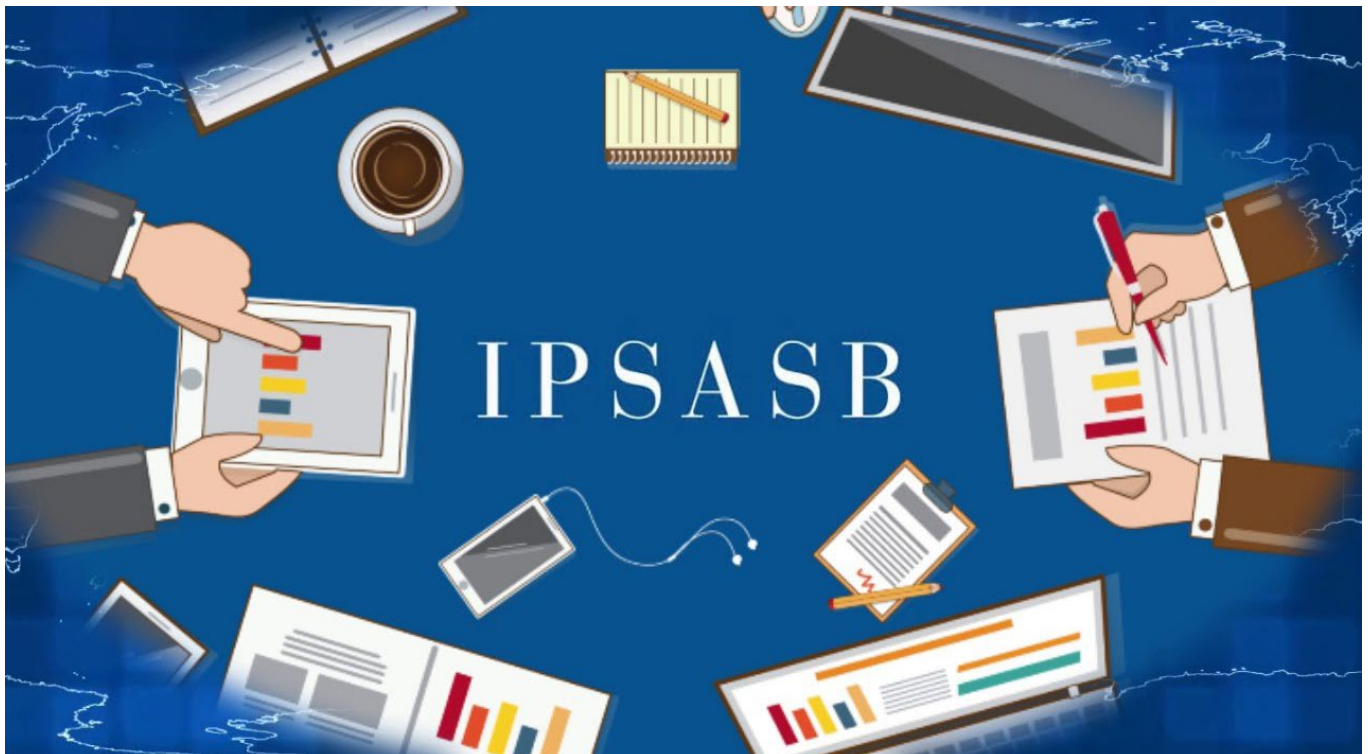
IPSAS 47 replaces IPSAS 9, Revenue from Exchange Transactions and IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers) with two accounting models for the recognition and measurement of public sector revenue transactions, based on the existence of a binding arrangement. The new IPSAS is aligned with IFRS 15, Revenue from Contracts with Customers while broadening its applicability across the public sector. Additional guidance is included to help entities apply the accounting principles to public sector-specific transactions, such as capital transfers and compelled transactions.

IPSAS 48 introduces guidance for transfer expenses, where a transfer provider provides resources to another entity without receiving anything directly in return, which is common situation in the public sector globally. The accounting for transfer expenses is driven by whether the transaction results in an enforceable right to have the transfer recipient satisfy their obligations. To operationalize this principle, IPSAS 48 presents two accounting models based on the existence or not of a binding arrangement.

The effective date for both IPSAS 47 and IPSAS 48 is January 1, 2026, with earlier application permitted. Updates to the Conceptual Framework are effective when published.

<https://www.ipsasb.org/news-events/2023-05/ipsasb-issues-package-revenue-and-transfer-expense-related-pronouncements>

IPSASB ISSUES PACKAGE OF MEASUREMENT-RELATED PRONOUNCEMENTS



Updated Conceptual Framework Chapter is effective immediately. IPSAS 45 and IPSAS 46 have an effective date of January 1, 2025. Earlier application is permitted.

The International Public Sector Accounting Standards Board® (IPSASB®), developer of IPSAS®, international accrual-based accounting standards for use by governments and other public sector entities around the world has issued an integrated package of measurement-related pronouncements comprising:

- Updated Conceptual Framework: Chapter 7, Measurement of Assets and Liabilities in Financial Statements;
- International Public Sector Accounting Standard® (IPSAS®) 45, Property, Plant, and Equipment, and
- IPSAS 46, Measurement.

The three pronouncements provide simplified, more consistent guidance addressing key conceptual challenges and practical implementation issues identified by the public sector community by introducing:

- Straight-forward principles for initial and subsequent measurement, that apply throughout IPSAS and align with the Conceptual Framework; and
- Enhanced property, plant, and equipment guidance that also clarifies the recognition and measurement of infrastructure and heritage assets.

“These important pronouncements provide clear and consistent foundational principles for the measurement of public sector assets,” said IPSASB Chair Ian Carruthers. “In addition, IPSAS 45 includes guidance on the recognition and measurement of heritage and infrastructure assets, which addresses their unique characteristics.”

The updates to Chapter 7 of the Conceptual Framework streamline the measurement principles by eliminating unused measurement bases and enhancing focus on those that are commonly used. The new subsequent measurement framework will help constituents apply the principles in practice and aligns measurement concepts with the guidance provided in IPSAS.

IPSAS 45 replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured.

IPSAS 46 provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

The effective date for both IPSAS 45 and IPSAS 46 is January 1, 2025, with earlier application permitted. Updates to the Conceptual Framework are effective when published.

<https://www.ipsasb.org/news-events/2023-05/ipsasb-issues-package-measurement-related-pronouncements>



TAGTech

PRODUCTS

- Intel Core i5
8th Generation
- 8 GB RAM
DDR4
- 256 GB SSD



FLIP



- Intel® Core i7
10th Generation 1065G7
- 8 GB RAM
DDR4
- 128 GB SSD
+ 512 GB SSD



PRO



- Intel Celeron N4100
- 4 GB LPDDR3
- 256GB SSD
+ 64GB EMMC



UNI C

- Intel® Core i3
10th Generation 1005G1
- 4 GB RAM
DDR4
- 128 GB SSD



EDU

- Intel® Core i7 10th
Generation 10510U
- 8 GB RAM
DDR4
- 128 GB SSD
+ 1 TB HDD



PLUS I

- Intel® Core i7 10th
Generation 10510U
- 8 GB RAM
DDR4
- 128 GB SSD
+ 512GB HDD



PLUS II



- Intel® Core™ i7
1255U
- 8 GB RAM
DDR4
- 256 GB SSD
+ 1 TB HDD

- Intel® Iris®
Xe Graphics

- 4500 mAh

- AX (wifi 6) BT 5.1

PLUS III 7022

New





Intel® Core™ i5
1235U



Intel® Iris®
Xe Graphics



8 GB RAM
DDR4



5000 mAh



256 GB SSD
+ 1 TB HDD



AC WIFI
BT 4.2

PLUS III

5022

New



Spreadtrum
SC7731E Quad-core



2 GB



32 GB



TAG-TAB Kids II



MediaTek MTK
8788 octa-core



8 GB



128 GB



TAG-TAB III



Front: 16 MP
Rear: 20 MP



6 GB



128 GB



**TAG-PHONE
Special**



Spreadtrum
SC9863 Octa-core



4 GB



64 GB



TAG-DC



Front: 8 MP
Rear: 16 MP



4 GB



128 GB



**TAG-PHONE
Plus**



Front: 16 MP
Rear: 16 MP



6 GB



128 GB



**TAG-PHONE
Advanced**

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