

A photograph of a modern, curved building facade with many windows, viewed from a low angle looking up. The building has a warm, orange-brown color scheme.

QAU Memo No. 18, s2021

In this issue:

- The Commission has approved the amendments to transitional provisions regarding application of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Overtime Transfers of Constructed Goods under PAS 23-Borrowing Cost.
- The submission of forms/Notices related to MC No. 28, series of 2020 are extended until August 31, 2021

R.S. BERNALDO & ASSOCIATES

TAKING YOU FURTHER

AMENDMENT TO SEC MEMORANDUM CIRCULARS NO. 14, SERIES OF 2018, NO. 3, SERIES OF 2019, NO. 4, SERIES OF 2020 and NO. 34, SERIES OF 2021 TO CLARIFY TRANSITORY PROVISION

To: All Concerned

The Commission on various dates has issued the following MCs relative to the pronouncements by the Philippine Interpretations Committee (PIC) and International Financial Reporting Interpretations Committee (IFRIC) on the implementation of PRFRS 15, *Revenue from Contract with Customers*:

MEMORANDUM CIRCULAR	RULE/GUIDELINE	DATE ISSUED
SEC MC No. 14, Series of 2018	Deferral of the application of the provisions of PIC Q&A No. 2018-12 with respect to the accounting for significant financing component, and the treatment of uninstalled materials and land in the calculation of the percentage of completion (POC) for a period of three (3) years.	29 October 2018
SEC MC No. 3, Series of 2019	Deferral of PIC Q&A 2018-12(H) on Accounting for Common Usage Service Area (CUSA) Charges and PIC Q&A 2018-14 on Accounting for Cancellation of Real Estate Sales until December 31, 2020.	08 February 2019
SEC MC No. 4, Series of 2020	Deferral of the Implementation of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods [Philippine Accounting Standards (PAS) 23-Borrowing Cost] for the Real Estate Industry until December 31, 2020.	21 February 2020
SEC MC No. 34, Series of 2020	Deferral of PIC Q&A 2018-12 and IFRIC Agenda Decision on Over-Time Transfer of Constructed Goods (PAS 23-Borrowing Cost) for the Real Estate Industry for Another Period of Three (3) Years or Until 2023.	17 December 2020

In connection to this, the Commission in its meeting, resolved the following:

1. Approved the amendment to the transitional provisions in the above MCs that allows company to apply the provisions of the PIC and IFRIC pronouncements in either **full retrospective approach** or **modified retrospective approach**.
2. Approved the option for companies to halt availing the above reporting reliefs whether in full or in part.

The aforementioned approvals aim to enable companies to fully comply with PFRS 15 and revert to reporting in full PFRS.

Issued July 8, 2021.

[MC No. 08, S2021](#), [MC No. 14, S2018](#), [MC No. 03, S2019](#), [MC No. 04, S2020](#), and [MC No. 34, S2020](#)

EXTENSION ON SUBMISSION OF FORMS/NOTICES PURSUANT TO MEMORANDUM CIRCULAR NO. 28, SERIES OF 2020

To: All Concerned

Please be informed that the Commission has extended the deadline for Corporations, Partnerships, and Individuals under the jurisdiction and supervision of the Commission to comply with SEC Memorandum Circular No. 28, series of 2020, without penalty, until **August 31, 2021**.

You may file the forms/notices of the MC 28, s. 2020 online through the email platform MC28_S2020@sec.gov.ph.

Filing of the forms/notices beyond August 31, 2021 shall be considered as non-compliant and will be subject to penalty in the amount of P10,000.00.

For your guidance.

Effective July 15, 2021.

MC No. 28, s 2020: <https://www.sec.gov.ph/mc-2020/mc-no-28-s-2020/>

SEC Notice: <https://www.sec.gov.ph/notices/extension-on-submission-of-forms-notices-pursuant-to-memorandum-circular-no-28-series-of-2020-2/>

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Comments and suggestions are welcome.

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