

**(NBAA)**  
**THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS**  
**TANZANIA**



**UPDATEs ON TECHNICAL ISSUES – FIRST QUARTER 2021**

**INTRODUCTION**

These updates on Technical Issues – First Quarter 2021 cover a summary of updates/issues including International Standards on Auditing (ISAs), International Financial Reporting Standards (IFRSs), International Ethics Standards for Professional Accountants (Ethics), International Accounting Education Standards (IAESs), International Standards on Quality Management (ISQM), International Financial Reporting for Non Profit Organizations (IFR4NPO), International Public Sector Accounting Standards (IPSAS), International Organization of Supreme Audit Institution (INTOSAI) and International Integrated Reporting (IIR) .

These Technical issues are classified into two broad groups;

**Part one: Invitation to comment**

This part analyses a number of new raised issues i.e. Exposure Drafts and Consultation Papers that request constructive comments from our members and a broad range of stakeholders within Tanzania. For each new issue raised, a respective commenting deadline is specified as prescribed by comments seeking authority i.e. NBAA, IASB, IESBA, IAASB, IPSAB, IIRC, INTOSAI, IFR4NPO etc. Extra related deadline at which NBAA would like to receive stakeholders’ comments is as well specified there in. Please use emails [mohamed.msimu@nbaa.go.tz](mailto:mohamed.msimu@nbaa.go.tz) or [saimon.kiondo@nbaa.go.tz](mailto:saimon.kiondo@nbaa.go.tz) to send your comments before the specified NBAA due dates.

**Part two: New Issued Standards, amendments and Guidelines**

This part gives updates on the new standards which have been currently issued and those standards which are expected to be applicable in the next coming years.

**Note:** This document includes issues published in December 2020, January, February and March (Inclusive) 2021.

**PART ONE: INVITATION TO COMMENT**

NBAA invites comments on the following updates on or before the due dates as specified by NBAA.

**INTERNATIONAL STANDARD ON AUDITING (ISAs) AND INTERNATIONAL STANDARDS ON QUALITY MANAGEMENT (ISQM)**

**Current updates on ISAs and ISQM**

<b>PROJECTS/APPROVED STANDARDS</b>	<b>CHANGES</b>	<b>EFFECTIVE DATE</b>
<p><b>Exposure Draft: Proposed Amendments to the IAASB’s International Standards; Conforming and Consequential Amendments to the IAASB’s Other Standards as a Result of the New and Revised Quality Management Standards</b></p>	<p><b>The International Assurance and Auditing Standard Board has issued proposed limited scope conforming and consequential amendments to the QM standards, to the IAASB’s Other Standards and Framework.</b></p> <p>The proposals are classified into two categories:-</p> <p><b>Category 1:</b> Update links to the structure and concepts in ISQM 1, ISQM 2 and ISA 220 (Revised). An example of these changes is the definition of “engagement team”: Some of the IAASB’s Other Standards (e.g., ISAE 3000 (Revised)) contain a definition of “engagement team” that is consistent with the definition in ISA 220. ISQM 1 and ISA 220 (Revised) have clarified the engagement team definition by including any individual who performs audit procedures. Accordingly, the proposed changes to the definition of “engagement team” are to align with the principle underlying the new definition of “engagement team” in the QM standards.</p> <p><b>Category 2:</b> Update to references and other terminology to align with ISQM 1 and ISQM 2. An example of these changes is that the IAASB’s Other Standards include various references to the firm’s quality control policies and procedures. New terminology in ISQM 1 refers to “policies or procedures” or “system of quality management.” The proposed changes update the terminology in the IAASB’s Other Standards and the Framework to the new terminology.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IAASB-Conforming-Amendments-Quality-Management.pdf">https://www.ifac.org/system/files/publications/files/IAASB-Conforming-Amendments-Quality-Management.pdf</a></p>	<p><b>IAASB Deadline:</b> The deadline for stakeholders’ comments is on or before <b>24<sup>th</sup> March 2021.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>22<sup>nd</sup> March 2021.</b></p>

## CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

### Current updates on Ethics

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>Exposure Draft: Proposed Revisions to the Definitions of Listed Entity and Public Listed Entity in the Code</b></p>	<p><b>The International Ethics Standards Board for Accountants (IESBA) has issued proposed revised definitions of listed entity and public interest entity in the code.</b></p> <p>The objectives of the PIE project are:</p> <ul style="list-style-type: none"> <li>(a) To review, in coordination with the IAASB, the definitions of the terms “listed entity” and “PIE” in the Code with a view to revising them as necessary so that they remain relevant and fit for purpose; and</li> <li>(b) In doing so, to:               <ul style="list-style-type: none"> <li>(i) Establish agreement between the IESBA and IAASB on a common revised definition of the term “listed entity” that would be operable for both Boards’ standards; and</li> <li>(j) Develop a pathway that would achieve convergence between the concepts underpinning the definition of a PIE in the Code and the description of an entity of significant public interest (ESPI) in the IAASB standards to the greatest extent possible.</li> </ul> </li> </ul> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IESBA-ED-Proposed-Revisions-to-the-Definitions-of-Listed-Entity-PIE-FINAL_0.pdf">https://www.ifac.org/system/files/publications/files/IESBA-ED-Proposed-Revisions-to-the-Definitions-of-Listed-Entity-PIE-FINAL_0.pdf</a></p>	<p><b>IAASB Deadline:</b> The deadline for stakeholders’ comments is on or before <b>3<sup>rd</sup> May 2021.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>28<sup>th</sup> April 2021.</b></p>

## INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSASs)

### Current updates on IPSASs

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>Exposure Draft 75: Leases</b></p>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued an Exposure Draft 75 on leases.</b></p> <p>ED 75 proposes an IFRS 16, Leases aligned model for lease accounting in the public sector.</p> <p><b>Lessee Accounting</b> ED 75 introduces a new lease accounting model for lessees—the right-of-use model. The right of-use model is based on the foundational principle that leases are financings of the right to use an underlying asset, and results in lessee accounting as follows:</p> <ul style="list-style-type: none"> <li>(a) Recognizes a ‘right-of-use asset’; and</li> <li>(b) Recognizes a lease liability related to the future lease payments.</li> </ul> <p><b>Lessor Accounting</b> Unlike in IFRS 16 which has retained the ‘risks and rewards incidental to ownership’ model, the ED 75 proposes a right-of-use model for lessor accounting specifically designed for public sector financial reporting.</p> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IPSASB-Exposure-Draft-75-Leases.pdf">https://www.ifac.org/system/files/publications/files/IPSASB-Exposure-Draft-75-Leases.pdf</a></p>	<p><b>IPSASB Deadline:</b> The deadline for stakeholders’ comments is on or before <b>17<sup>th</sup> May 2021.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>12<sup>th</sup> May 2021.</b></p>

<p><b>Request for Information (RFI) : Concessionary Leases and other Arrangements similar to leases</b></p>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued a request for information on concessionary leases and other arrangements similar to leases.</b></p> <p>The objective of the RFI is to gather constituent input on the characteristics of concessionary leases and other arrangements similar to leases that are common in the public sector and seek information on how these arrangements are being accounted for in their jurisdiction in accordance with relevant national standard.</p> <p>This information is being sought to assist the IPSASB in determining whether standards-level or other guidance is needed.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IPSASB-Request-For-Information-Leases.pdf">https://www.ifac.org/system/files/publications/files/IPSASB-Request-For-Information-Leases.pdf</a></p>	<p><b>IASB Deadline:</b> This RFI is open for public comment until <b>17<sup>th</sup> May, 2021.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>12<sup>th</sup> May 2021.</b></p>
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## INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

### Current updates on IFRSs

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>Exposure Draft (ED/2020/4) : Lease Liability in a Sale and Leaseback</b></p>	<p><b>The International Accounting Standards Board (IASB) has issued an Exposure Draft ED/2020/4 on Lease Liability in a Sale and Leaseback.</b></p> <p>It is proposed to amend IFRS 16 to add subsequent measurement requirements for sale and leaseback transactions. To facilitate this proposed amendment, the Board is also proposing to specify the method a seller-lessee uses in initially measuring the right-of-use asset and liability arising in such transactions.</p> <p><b>For more information go to:</b> <a href="https://cdn.ifrs.org/-/media/project/lease-liability/ed-lease-liability-in-a-sale-or-leaseback.pdf">https://cdn.ifrs.org/-/media/project/lease-liability/ed-lease-liability-in-a-sale-or-leaseback.pdf</a></p>	<p><b>IASB Deadline:</b> The deadline for stakeholders' comments is on or before <b>29<sup>th</sup> March 2021.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>18<sup>th</sup> March 2021.</b></p>

<p><b>Request for Information (RFI): Post Implementation Review, IFRS 10 - Consolidated Financial Statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interest in Other Entities</b></p>	<p><b>The International Accounting Standards Board (IASB) has issued a request for information in respect of post implementation review of IFRS 10, IFRS 11 and IFRS 12.</b></p> <p>Post implementation reviews are part of IASB’s due process to help assess the effects of requirements on users of financial statements, preparers and auditors.</p> <p>In particular, IASB aims to assess whether:</p> <ul style="list-style-type: none"> <li>(a) an entity applying the requirements in a Standard produces financial statements that faithfully portray the entity’s financial position and performance, and whether this information helps users of financial statements to make informed economic decisions;</li> <li>(b) areas of the Standard pose challenges;</li> <li>(c) areas of the Standard could result in inconsistent application; and</li> <li>(d) unexpected costs arise when applying or enforcing the requirements of the Standard, or when using or auditing information the Standard requires an entity to provide.</li> </ul> <p><b>For More information go to:</b> <a href="https://cdn.ifrs.org/-/media/project/pir-10-11-12/rfi2020-pir10-11-12.pdf">https://cdn.ifrs.org/-/media/project/pir-10-11-12/rfi2020-pir10-11-12.pdf</a></p>	<p><b>IASB Deadline:</b> The deadline for stakeholders’ comments is on or before <b>10<sup>th</sup> May 2021.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>5<sup>th</sup> May 2021.</b></p>
<p><b>Exposure Draft (ED/2021/1) : Regulatory Assets and Regulatory Liabilities</b></p>	<p><b>The International Accounting Standards Board (IASB) has issued an Exposure Draft ED/2021/1 on Regulatory Assets and Regulatory Liability.</b></p> <p>The Final Pronouncement is expected to replace IFRS 14 Regulatory Deferral Accounts, as in some cases, a difference in timing arises when the regulatory agreement implementing rate regulation specifies that part of the total allowed compensation for goods or services supplied in a period is included in determining the regulated rates for goods or services supplied in a different period (past or future).</p> <p>This proposed standard is expected to provide information that will help investors understand which fluctuations in the relationship between a company’s revenue and expenses are caused by those differences in timing so that investors could make better assessments of the company’s prospects for future cash flows.</p> <p><b>For more information go to:</b> <a href="https://cdn.ifrs.org/-/media/project/rate-regulated-activities/published-documents/ed2021-rra.pdf">https://cdn.ifrs.org/-/media/project/rate-regulated-activities/published-documents/ed2021-rra.pdf</a></p>	<p><b>IASB Deadline:</b> The deadline for stakeholders’ comments is on or before <b>30<sup>th</sup> June 2021.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>28<sup>th</sup> June 2021.</b></p>

<p><b>Discussion Papers and Comment Letters: Business Combination under Common Control</b></p>	<p><b>The International Accounting Standards Board (IASB) has issued a Discussion Paper DP/2020/2 on Business Combination Under Common Control.</b></p> <p>The objective of this discussion paper is to explore possible reporting requirements for a receiving company that would :-</p> <ul style="list-style-type: none"> <li>(a) reduce the existing diversity in practice for reporting transactions that involve transfers of businesses between companies within the same group as such combinations are outside the scope of IFRS 3 Business Combinations; and</li> <li>(b) provide users of the receiving company’s financial statements with better information about these combinations.</li> </ul> <p>This proposed standard is expected to provide information that will help investors understand which fluctuations in the relationship between a company’s revenue and expenses are caused by those differences in timing so that investors could make better assessments of the company’s prospects for future cash flows.</p> <p><b>For more information go to:</b> <a href="https://cdn.ifrs.org/-/media/project/business-combinations-under-common-control/discussion-paper-bcucc-november-2020.pdf">https://cdn.ifrs.org/-/media/project/business-combinations-under-common-control/discussion-paper-bcucc-november-2020.pdf</a></p>	<p><b>IASB Deadline:</b> The deadline for stakeholders’ comments is on or before <b>1<sup>st</sup> September 2021.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>26<sup>th</sup> August 2021.</b></p>
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## INTERNATIONAL FINANCIAL REPORTING FOR NON PROFIT ORGANIZATIONS (IFR4NPOs)

### Current updates on IFR4NPO

<b>PROJECTS/APPROVED STANDARDS</b>	<b>CHANGES</b>	<b>EFFECTIVE DATE</b>
<p><b>Consultation Paper: International Financial Reporting for Non-Profit Organizations</b></p>	<p>As actively observed by the International Accounting Standard Board (IASB) and the International Public Sector Accounting Standard Board (IPSASB), CIPFA in collaboration with Humentum undertake an initiative to develop the world’s first Internationally applicable <b>Financial Reporting guidance for Non-Profit-Organisations (NPOs).</b></p> <p>This will improve the clarity and consistency of NPO financial reports, resulting in greater credibility and trust in the not-for-profit sector globally.</p> <p><b>For more information go to:</b> <a href="https://files.humentum.org/dl/tlwP5UUIiq/?">https://files.humentum.org/dl/tlwP5UUIiq/?</a></p>	<p><b>IASB Deadline:</b> Part I: On or before <b>30<sup>th</sup> July 2021</b> Part II: On or before <b>24<sup>th</sup> September 2021.</b></p> <p><b>NBAA Deadline:</b> Part I: <b>27<sup>th</sup> July, 2021</b> Part II: <b>20<sup>th</sup> September, 2021</b></p>

## PART TWO: NEW ISSUED STANDARDS, AMENDMENTS AND GUIDELINES

This part includes all newly issued standards, amendments, guidelines and technical pronouncements of which NBAA would like to urge members and other stakeholders to get prepared for their application.

### INTERNATIONAL STANDARDS ON AUDITING (ISAs) AND INTERNATIONAL STANDARDS ON QUALITY MANAGEMENT (ISQM)

#### ISAs and ISQM applicable for the next coming years

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>Final Pronouncement: ISQM 1 (Previously ISQC 1) – Quality management for firms that performs audits or reviews of financial statements, or other assurance or related services engagements</b></p>	<p><b>The International Assurance and Auditing Standard Board has issued the International Standard on Quality Management 1 on Quality management for firms that performs audits or reviews of financial statements, or other assurance or related services engagements.</b></p> <p>The standard replaces the International Standard on Quality Control 1 (ISQC 1), The requires the firm firms performing audits or reviews of financial statements, or other assurance or related services engagements, to apply a risk-based approach in designing, implementing and operating the components of the system of quality management in an interconnected and coordinated manner such that the firm proactively manages the quality of engagements performed by the firm.</p> <p>It requires that, at least annually, the individual(s) assigned ultimate responsibility and accountability for the system of quality management, on behalf of the firm, evaluates the system of quality management and concludes whether the system of quality management provides the firm with reasonable assurance that the objectives of the system are being achieved.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IAASB-Quality-Management-ISQM-1-Quality-Management-for-Firms.pdf">https://www.ifac.org/system/files/publications/files/IAASB-Quality-Management-ISQM-1-Quality-Management-for-Firms.pdf</a></p>	<p>Systems of quality management to be designed and implemented by <b>15<sup>th</sup> December, 2022.</b></p> <p>The evaluation of the system of quality management required to be performed within one year following <b>15<sup>th</sup> December, 2022.</b></p>



<p><b>Final Pronouncement: ISQM 2 – Engagement Quality Reviews</b></p>	<p><b>The International Assurance and Auditing Standard Board has issued the International Standard on Quality Management 2 on engagement quality reviews.</b></p> <p>The International Standard on Quality Management 2 (ISQM 2) deals with:</p> <ul style="list-style-type: none"> <li>(a) The appointment and eligibility of the engagement quality reviewer; and</li> <li>(b) The engagement quality reviewer’s responsibilities relating to the performance and documentation of an engagement quality review</li> </ul> <p>An engagement quality review to be performed in accordance with this standard is a specified response that is designed and implemented by the firm in accordance with ISQM 1.</p> <p>The standard requires that, the performance of an engagement quality review to be undertaken at the engagement level by the engagement quality reviewer on behalf of the firm.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IAASB-Quality-Management-ISQM-2-Engagement-Quality-Reviews.pdf">https://www.ifac.org/system/files/publications/files/IAASB-Quality-Management-ISQM-2-Engagement-Quality-Reviews.pdf</a></p>	<p>The standard is effective for:-</p> <ul style="list-style-type: none"> <li>(a) Audits and reviews of financial statements for periods beginning on or after <b>15<sup>th</sup> December, 2022;</b> and</li> <li>(b) Other assurance and related services engagements beginning on or after <b>15<sup>th</sup> December, 2022</b></li> </ul>
<p><b>Final Pronouncement: IAS 220 (Revised) – Quality Management for An Audit of Financial Statements</b></p>	<p><b>The International Assurance and Auditing Standard Board has issued a revised ISA 220 (Revised) on quality management for an audit of financial statements.</b></p> <p>The standard deals with the engagement partner and engagement team’s responsibilities for quality management for an audit of financial statements.</p> <p>The revised standard modernize the approaches for an auditor to be able to manage quality at the engagement level to obtain reasonable assurance that quality has been achieved such that:</p> <ul style="list-style-type: none"> <li>(a) The auditor has fulfilled the auditor’s responsibilities, and has conducted the audit, in accordance with professional standards and applicable legal and regulatory requirements; and</li> <li>(b) The auditor’s report issued is appropriate in the circumstances</li> </ul> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IAASB-International-Standard-Auditing-220-Revised.pdf">https://www.ifac.org/system/files/publications/files/IAASB-International-Standard-Auditing-220-Revised.pdf</a></p>	<p>This ISA is effective for audits of financial statements for periods beginning on or after <b>15<sup>th</sup> December, 2022.</b></p>
<p><b>ISA 315 (Revised 2019): Identifying and Assessing the risks of material misstatements</b></p>	<p><b>The International Assurance and Auditing Standard Board has issued a revised ISA 315 on identifying and assessing the risk of material misstatements.</b></p> <p>The revision has been done with the following objectives:-</p>	<p>Effective for audits of financial statements for periods beginning on or after <b>15<sup>th</sup> December, 2021.</b></p>

	<p>a) Establishment of more robust requirements and appropriately detailed guidance to drive auditors to perform appropriate risk assessment procedures in a manner commensurate with the size and nature of the entity,</p> <p>b) Consequential amendments to other standards as a result of the revision (such as ISA 220, ISA 240, ISAS 330, ISA 540 (Revised) and ISA 600),</p> <p>c) The issuance of non-authoritative guidance and support tools to supplement the revised ISAS 315 as well as supporting its implementation.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/ISA-315-Full-Standard-and-Conforming-Amendments-2019-.pdf">https://www.ifac.org/system/files/publications/files/ISA-315-Full-Standard-and-Conforming-Amendments-2019-.pdf</a></p>	
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## INTERNATIONAL EDUCATION STANDARDS (IES)

### IESs currently applicable

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>IES 2, Initial Professional Development – Technical Competence (Revised)</b></p>	<p><b>International Accounting Education Standard Board has issued a revised IES 2 on initial professional Development – technical competence.</b></p> <p>This International Education Standard (IES) prescribes the learning outcomes for technical competence that aspiring professional accountants are required to achieve by the end of Initial Professional Development (IPD) whereby it is defined that technical competence is the ability to apply professional knowledge to perform a role to a defined standard.</p> <p>The IES specifies the competence areas and learning outcomes that describe the technical competence required of aspiring professional accountants by the end of IPD.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IAESB-IES-2-Technical-Competence.pdf">https://www.ifac.org/system/files/publications/files/IAESB-IES-2-Technical-Competence.pdf</a></p>	<p>The standard is effective from <b>1<sup>st</sup> January 2021.</b></p>

<p><b>IES 3, Initial Professional Development – Professional Skills (Revised)</b></p>	<p><b>International Accounting Education Standard Board has issued a revised IES 3 on initial professional Development – Professional Skills.</b></p> <p>The IES prescribes the learning outcomes for professional skills that aspiring professional accountants are required to achieve by the end of Initial Professional Development (IPD). Professional skills are the (a) intellectual, (b) interpersonal and communication, (c) personal, and (d) organizational skills that a professional accountant integrates with technical competence and professional values, ethics, and attitudes to demonstrate professional competence.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IAESB-IES-3-Professional-skills.pdf">https://www.ifac.org/system/files/publications/files/IAESB-IES-3-Professional-skills.pdf</a></p>	<p>The standard is effective from <b>1<sup>st</sup> January 2021.</b></p>
<p><b>IES 4, Initial Professional Development – Professional Values, Ethics and Attitudes (Revised)</b></p>	<p><b>International Accounting Education Standard Board has issued a revised IES 4 on initial professional Development – professional values, ethics and attitudes.</b></p> <p>The IES prescribes the learning outcomes that aspiring professional accountants are required to achieve by the end of Initial Professional Development (IPD) for professional values, ethics, and attitudes.</p> <p>Professional values, ethics, and attitudes are the characteristics that identify professional accountants as members of a profession. They include the principles of conduct (e.g., ethical principles) generally associated with and considered essential in defining the distinctive characteristics of professional behaviour.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IAESB-IES-4-Professional-values-ethics-attitudes.pdf">https://www.ifac.org/system/files/publications/files/IAESB-IES-4-Professional-values-ethics-attitudes.pdf</a></p>	<p>The standard is effective from <b>1<sup>st</sup> January 2021.</b></p>

<p><b>IES 8, Professional Competence for Engagement Partners Responsible For Audits Of Financial Statements (Revised)</b></p>	<p><b>International Accounting Education Standard Board has issued a revised IES 8 on professional competence for engagement partners responsible for audits of financial statements.</b></p> <p>The IES prescribes the professional competence that professional accountants are required to develop and maintain when performing the role of an Engagement Partner responsible for audits of financial statements</p> <p>It is the responsibility of the professional accountant performing the role of an Engagement Partner to develop and maintain professional competence by undertaking relevant CPD activities, which include practical experience.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IAESB-IES-2-Technical-Competence.pdf">https://www.ifac.org/system/files/publications/files/IAESB-IES-2-Technical-Competence.pdf</a></p>	<p>The standard is effective from <b>1<sup>st</sup> January 2021.</b></p>
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## CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

Codes applicable for the next coming years

<b>PROJECTS/APPROVED STANDARDS</b>	<b>CHANGES</b>	<b>EFFECTIVE DATE</b>
<p><b>Final Pronouncement: Revision of the code addressing Objectivity of an engagement quality reviewer and other appropriate reviewers</b></p>	<p><b>The International Ethics Standard Board for Accountants has issued a final pronouncement on the revised code addressing objectivity of engagement quality reviewer and other appropriate reviewers.</b></p> <p>The revisions provide guidance that supports ISQM 2 in addressing the eligibility of an individual to serve in an EQR role, focusing on the critical attribute of objectivity. Among other matters, the guidance:</p> <ul style="list-style-type: none"> <li>• Elaborates on the need to identify, evaluate and address threats to compliance with the fundamental principle of objectivity that might arise in the appointment of an individual as an EQR for a given engagement;</li> <li>• Explicitly refers to and supports the requirement in ISQM 2 for a firm to establish, as a condition for eligibility, a cooling-off period of two years before an engagement partner can assume the EQR role on the same engagement; and</li> </ul>	<p>Effective as follows:</p> <p><b>(a)</b> For Part 4A: audits and reviews of financial statements for periods beginning on or after <b>15<sup>th</sup> December, 2022.</b></p> <p><b>(b)</b> For Part 4B: assurance engagements beginning on or after <b>15<sup>th</sup> December, 2022.</b></p> <p><b>(c)</b> For all other engagements</p>

	<ul style="list-style-type: none"> <li>Emphasizes that this cooling-off requirement in ISQM 2 serves the dual objective of supporting compliance with the fundamental principle of objectivity and the high quality of engagements.</li> </ul> <p><b>For More information go to:</b> <a href="https://www.ethicsboard.org/publications/final-pronouncement-objectivity-engagement-quality-reviewer-and-other-appropriate-reviewers">https://www.ethicsboard.org/publications/final-pronouncement-objectivity-engagement-quality-reviewer-and-other-appropriate-reviewers</a></p>	<p>within the scope of Part 3: engagements beginning on or after <b>15<sup>th</sup> December, 2022.</b></p> <p>(d) Early adoption is permitted.</p>
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## INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

### IPSASs applicable for the next coming years

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>IPSAS 41 : Financial Instruments</b></p>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 41 on financial instruments which replaces IPSAS 29: Financial Instruments: Recognition and Measurements.</b></p> <p>IPSAS 41 improves financial reporting for financial instruments, by:</p> <ul style="list-style-type: none"> <li>Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IPSAS-41-Financial-Instruments.pdf">https://www.ifac.org/system/files/publications/files/IPSAS-41-Financial-Instruments.pdf</a></p>	<p>Effective for annual periods beginning on or after <b>1<sup>st</sup> January 2022.</b></p> <p>Earlier application is permitted.</p>

<p><b>IPSAS 42, Social Benefits</b></p>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued IPSAS 42 on social benefits.</b></p> <p>The standard provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment.</p> <p>It seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for:</p> <ul style="list-style-type: none"> <li>• Recognizing expenses and liabilities for social benefits;</li> <li>• Measuring expenses and liabilities for social benefits;</li> <li>• Presenting information about social benefits in the financial statements; and</li> <li>• Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity</li> </ul> <p><b>For More information go to:</b> <a href="http://www.ifac.org/system/files/publications/files/IPSAS-42-Social-Benefits.pdf">http://www.ifac.org/system/files/publications/files/IPSAS-42-Social-Benefits.pdf</a></p>	<p>Effective for the period beginning on or before <b>1<sup>st</sup> January 2022.</b></p>
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## INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

### IFRSs applicable for the next coming years

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
IFRS 17 “Insurance Contracts”	<p><b>The International Accounting Standards Board (IASB) issued IFRS 17 Insurance Contract. The standard applies to all entities that issue insurance contracts.</b></p> <p>The standard provides consistent accounting for all insurance contracts</p> <ol style="list-style-type: none"> <li>a. Updated information about obligations, risks and performance of insurance contract</li> <li>b. Increased transparency in financial information reported by insurance companies</li> </ol> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IPSAS-41-Financial-Instruments.pdf">https://www.ifac.org/system/files/publications/files/IPSAS-41-Financial-Instruments.pdf</a></p>	<p>For annual financial statements beginning on or after <b>1<sup>st</sup> January, 2023.</b></p> <p>Earlier adoption is encouraged.</p>
Narrow-scope amendments to IFRS Standards	<p><b>The International Accounting Standards Board (IASB) has issued a package of narrow scope amendments to three IFRS standards and annual improvements.</b></p> <ol style="list-style-type: none"> <li>1. <b>Narrow scope amendments:</b> The narrowly scope amended standards includes the following:- <ol style="list-style-type: none"> <li>(i) <b>IFRS 3 Business Combination:</b> This standard has been amended by updating references in IFRS 3 to the Conceptual Framework for Financial Reporting with no changes the accounting requirements.</li> <li>(ii) <b>IAS 16 Property, Plant and Equipment:</b> The amendment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.</li> <li>(iii) <b>IAS 37 Provisions, Contingent Liabilities and Contingent Assets:</b> The amendment specifies which costs a company includes when assessing whether a contract will be loss-making.</li> </ol> </li> <li>2. <b>Annual Improvements</b> make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases</li> </ol> <p><b>For More information go to:</b> <a href="https://www.ifrs.org/news-and-events/2020/05/iasb-issues-package-of-narrow-scope-amendments-to-ifrs-standards/">https://www.ifrs.org/news-and-events/2020/05/iasb-issues-package-of-narrow-scope-amendments-to-ifrs-standards/</a></p>	<p>The amendments are effective <b>1<sup>st</sup> January 2022.</b></p>

## INTERNATIONAL ORGANIZATION OF SUPRIME AUDIT INSTITUTIONS (INTOSAI)

### Current Issues

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>Final Version of SCEI Recommendations to the INTOSAI Governing Board</b></p>	<p><b>The International Organization of Supreme Audit Institutions through the Supervisory Committee on emerging issues (SCEI) (Covid 19 Expert Group) has issued a final version of the recommendations to the INTOSAI governing Board.</b></p> <p>The document was created as the outcome of the SCEI Expert Group on the "Strategic role of SAIs in addressing challenges posed by the COVID-19 pandemic".</p> <p><b>For More information go to:</b>  <a href="https://www.intosai.org/fileadmin/downloads/news/2020/12/301220_SCEI_EG_Recommendation_GB.pdf">https://www.intosai.org/fileadmin/downloads/news/2020/12/301220_SCEI_EG_Recommendation_GB.pdf</a></p>	<p>For Information</p>

## INTERNATIONAL INTERGRATED REPORTING

### Current Issues

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>Final Pronouncement: Revised Version of the International Integrated Reporting Framework</b></p>	<p><b>The International Integrated Reporting Council has issued a final revised versions of the International Integrated Reporting Framework &lt;IR&gt; to enable enhanced reporting.</b></p> <p>The revision aimed at identifying opportunities to clarify concepts, simplify guidance for report preparers and underpin better quality integrated reports.</p> <p>The International Framework (January 2021) supersedes the International Framework (December 2013).</p> <p><b>For More information go to:</b> <a href="https://integratedreporting.org/wp-content/uploads/2021/01/InternationalIntegratedReportingFramework.pdf">https://integratedreporting.org/wp-content/uploads/2021/01/InternationalIntegratedReportingFramework.pdf</a></p>	<p>Applies to reporting periods commencing <b>1<sup>st</sup> January 2022.</b></p> <p>Earlier application is welcome.</p>



For more information, contact:

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