

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



**UPDATEs ON TECHNICAL ISSUES – SECOND QUARTER 2022**

**INTRODUCTION**

These updates on Technical Issues – Second Quarter 2022 cover a summary of updates/issues including International Standards on Auditing (ISAs), International Financial Reporting Standards (IFRSs), International Sustainability Standards (ISSs), International Ethics Standards for Professional Accountants and International Public Sector Accounting Standards (IPSAS).

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 etc.

Extra related deadline at which NBAA would like to receive stakeholders' comments is as well specified therein. 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 April, May and June (Inclusive) 2022.

## PART ONE: INVITATION TO COMMENT

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

### INTERNATIONAL CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

#### Current updates on the code of ethics

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>Exposure Draft: Proposed Technology-related Revisions to the Code</b></p>	<p><b>The International Ethics Standards Board for Accountants (IESBA) has issued an Exposure Draft on Proposed Technology-related Revisions to the Code.</b></p> <p>The objective of this exposure draft involves a review of the Code to determine technology-related revisions that are necessary for the Code to continue to remain relevant and fit for purpose in response to the transformative effects of major trends and developments in technology on the work of the global accountancy profession.</p> <p>It basically intends to amend the codes so as that they can continuously be dealing with rapid changes in technological issues such as:</p> <ul style="list-style-type: none"> <li>• digital age.</li> <li>• use of, the output of technology in carrying out professional works.</li> <li>• threats from the use of technology, and</li> <li>• others</li> </ul> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/Proposed-Technology-related-Revisions-to-the-Code.pdf">https://www.ifac.org/system/files/publications/files/Proposed-Technology-related-Revisions-to-the-Code.pdf</a></p>	<p><b>IESBA Deadline:</b> The deadline for stakeholders' comments is on or before <b>20<sup>th</sup> June 2022.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>15<sup>th</sup> June 2022.</b></p>
<p><b>IESBA Strategy Survey 2022</b></p>	<p><b>The International Ethics Standards Board for Accountants (IESBA) is conducting a survey for seeking views from stakeholders on key environmental trends, developments or issues the IESBA should consider as it begins the process of developing its next Strategy and Work Plan (SWP) for the period 2024 – 2027.</b></p> <p>This survey is the first step in the IESBA seeking input from its stakeholders as part of the due process for developing its SWP. Following a full review of the input received, the IESBA will</p>	<p><b>IESBA Deadline:</b> The deadline for sending comments is on or before <b>08<sup>th</sup> July 2022.</b></p>

	<p>develop a consultation paper on its SWP 2024-2027, including its proposed strategic themes, priorities and work plan.</p> <p>Respondents are asked to provide views or suggestions in response to the questions in Sections B and C. If a respondent has no response to a particular question, the respondent may skip that question. Respondents' submissions will be made available on the IESBA's website after the close of the survey.</p> <p><b>For more information go to:</b> <a href="https://www.ethicsboard.org/publications/iesba-strategy-survey-2022">https://www.ethicsboard.org/publications/iesba-strategy-survey-2022</a></p>	<p><b>NBAA Deadline:</b> Send your comments on or before <b>4<sup>th</sup> July 2022.</b></p>
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## INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSASs)

### Current updates on IPSASs

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>Exposure Draft (ED) 82: Retirement Benefit Plan</b></p>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued an Exposure Draft 82 on Retirement Benefit Plan.</b></p> <p>The Exposure Draft proposes the accounting, presentation and disclosure requirements for the financial statements of the retirement benefit plan.</p> <p>This is expected to increase transparency and accountability of public sector entities regarding obligations owed to public sector employees and other eligible participants who are members of the retirement benefit plan, and of any deficit in the plan</p> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IPSASB-Exposure-Draft-ED-82-Retirement-Benefit-Plans.pdf">https://www.ifac.org/system/files/publications/files/IPSASB-Exposure-Draft-ED-82-Retirement-Benefit-Plans.pdf</a></p>	<p><b>IPSASB Deadline:</b> The deadline for stakeholders' comments is on or before <b>1<sup>st</sup> August 2022.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>25<sup>th</sup> July 2022.</b></p>
<p><b>Consultation Paper: Natural Resources</b></p>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued a Consultation Paper on Natural Resources for developing guidance on the recognition, measurement, presentation, and disclosure of natural resources in the public sector.</b></p> <p>The Board in its preliminary views defines and proposes the ways on how to deal with for the following identified natural resources: -</p> <ul style="list-style-type: none"> <li>• <b>Subsoil resource:</b> Which broadly refers to all non-living natural items which occur within the earth, both in dry land and the seabed.</li> <li>• <b>Water:</b> Refer to those which are naturally occurring or impounded by not processed. They comprise surface water in seas, rivers, streams, lakes, groundwater aquifers and water impounded in reservoirs and canals.</li> <li>• <b>Living Resources:</b> Is described as living organism (e.g., animal or plant) which is naturally occurring and in its natural state.</li> </ul> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/Natural-Resources-CP.pdf">https://www.ifac.org/system/files/publications/files/Natural-Resources-CP.pdf</a></p>	<p><b>IPSASB Deadline:</b> The deadline for stakeholders' comments is on or before <b>17<sup>th</sup> October 2022.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>12<sup>th</sup> October 2022.</b></p>

<p><b>Consultation Paper: Advancing Public Sector Sustainability Reporting</b></p>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued a Consultation Paper on advancing public sector sustainability reporting.</b></p> <p>The Board has prepared this consultation paper in response to the growing demands from its stakeholders for global sustainability reporting guidance for the public sector in order to contribute to the delivery of sustainable development and address climate change.</p> <p>The Consultation paper proposes that IPSAB should:</p> <ul style="list-style-type: none"> <li>• Serve as a standard setter for global public sector specific sustainability guidance, drawing upon its experience, processes and global relationships.</li> <li>• Develop initial guidance focused on general disclosure requirements for sustainability-related information and climate-related disclosures.</li> <li>• Approach guidance development at an accelerated pace, with a potential for releasing initial guidance by the end of 2023.</li> </ul> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IPSASB-Sustainability-Reporting-CP.pdf">https://www.ifac.org/system/files/publications/files/IPSASB-Sustainability-Reporting-CP.pdf</a></p>	<p><b>IPSASB Deadline:</b> The deadline for stakeholders' comments is on or before <b>9<sup>th</sup> September 2022.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>5<sup>th</sup> September 2022.</b></p>
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## INTERNATIONAL SUSTAINABILITY STANDARDS (ISSs)

### Current updates on ISSs

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<p><b>Exposure Draft and Comment Letter: IFRS S1 General Sustainability – related Disclosures</b></p>	<p><b>The International Sustainability Standards Board (ISSB) has issued an Exposure Draft on General Requirements for Disclosure of Sustainability – Related Financial Information.</b></p> <p>The proposals set out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability-related financial disclosures.</p> <p>The proposals include requirements and guidance to support the disclosure of material information about significant sustainability-related risks and opportunities not specifically addressed by an IFRS Sustainability Disclosure Standard.</p> <p>The information requirements are designed to enable primary users to assess enterprise value. The information required reflects the way in which an entity operates, covering governance, strategy, risk management and metrics and targets.</p> <p><b>For more information go to:</b> <a href="https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf">https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf</a></p>	<p><b>IASB Deadline:</b> The deadline for stakeholders' comments is on or before <b>29<sup>th</sup> July 2022.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>25<sup>th</sup> July 2022.</b></p>

<p><b>Exposure Draft and Comment Letter: IFRS S2 Climate – related Disclosures</b></p>	<p><b>The International Sustainability Standards Board (ISSB) has issued an Exposure Draft on Climate – related Disclosures to require an entity to provide information about its exposure to climate-related risks and opportunities.</b></p> <p>This information, along with other information provided as part of an entity's general purpose financial reporting, will assist users of the information in assessing the entity's future cash flows, including their amounts, timing and certainty, over the short, medium and long term.</p> <p>The Exposure Draft would require an entity to provide information that enables users of general-purpose financial reporting to understand:</p> <ul style="list-style-type: none"> <li>• Governance: The governance processes, controls and procedures an entity uses to monitor and manage climate-related risks and opportunities;</li> <li>• Strategy: The climate-related risks and opportunities that could enhance, threaten or change an entity's business model and strategy over the short, medium and long term</li> <li>• Risk management: How climate-related risks and opportunities are identified, assessed, managed and mitigated by an entity;</li> <li>• Metrics and targets: The metrics and targets used to manage and monitor an entity's performance in relation to climate-related risks and opportunities</li> </ul> <p><b>For more information go to:</b> <a href="https://www.ifrs.org/content/dam/ifrs/project/climate-related-disclosures/issb-exposure-draft-2022-2-climate-related-disclosures.pdf">https://www.ifrs.org/content/dam/ifrs/project/climate-related-disclosures/issb-exposure-draft-2022-2-climate-related-disclosures.pdf</a></p>	<p><b>IASB Deadline:</b> The deadline for stakeholders' comments is on or before <b>29<sup>th</sup> July 2022.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>25<sup>th</sup> July 2022.</b></p>
<p><b>Request for feedback and comment letter</b></p>	<p><b>The IFRS Foundation have issued a request for feedback and comment letter on the IFRS Sustainability Disclosure Taxonomy.</b></p> <p>The IFRS Sustainability Disclosure Taxonomy would provide elements, or tags, that reflect the information required to be disclosed by the IFRS Sustainability Disclosure Standards. These elements would be akin to barcodes applied to a supermarket's products in that they would provide information about the underlying item, information that computers could be programmed to read and reproduce in various structures.</p> <p><b>For more information go to:</b> <a href="https://www.ifrs.org/content/dam/ifrs/project/ifrs-sustainability-disclosure-taxonomy/staff-request-for-feedback-ifrs-sustainability-disclosure-taxonomy.pdf">https://www.ifrs.org/content/dam/ifrs/project/ifrs-sustainability-disclosure-taxonomy/staff-request-for-feedback-ifrs-sustainability-disclosure-taxonomy.pdf</a></p>	<p><b>IASB Deadline:</b> The deadline for stakeholders' comments is on or before <b>30<sup>th</sup> September 2022.</b></p> <p><b>NBAA Deadline:</b> Send your comments on or before <b>26<sup>th</sup> September 2022.</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 modernizes 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>Final Pronouncement: 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 a Conforming and Consequential Amendments to the IAASB's Other Standards.</b></p> <p>This is a compilation of limited amendments to the IAASB's suite of standards in response to the quality management standards.</p> <p>The amendments address any actual or perceived inconsistencies between the quality management standards and the full suite of IAASB standards to ensure that all the standards operate in conjunction with each other without conflict.</p> <p><b>For more information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IAASB-Final-Pronouncement-Conforming-Amendments.pdf">https://www.ifac.org/system/files/publications/files/IAASB-Final-Pronouncement-Conforming-Amendments.pdf</a></p>	<p><b>Effective dates are as per the final pronouncements of each individual amended standards</b></p>
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## CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

Codes applicable for the next coming years

PROJECTS/APPROVED STANDARDS	CHANGES	EFFECTIVE DATE
<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> <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>Effective as follows:</p> <p>(a) 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) For Part 4B: assurance engagements beginning on or after <b>15<sup>th</sup> December, 2022.</b></p> <p>(c) For all other engagements within the scope of Part 3: engagements beginning on or after <b>15<sup>th</sup></b></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>	<b>December, 2022.</b> Early adoption is permitted.
<b>Final Pronouncement: Revisions to the Fee related Provisions of the Code</b>	<p><b>The International Ethics Standard Board for Accountants has issued a final pronouncement on Revisions to the Fee related Provisions of the Code.</b></p> <p>The revisions include: -</p> <ul style="list-style-type: none"> <li>• a prohibition on firms allowing the audit fee to be influenced by the provision of services other than audit to the audit client;</li> <li>• in the case of PIEs, a requirement to cease to act as auditor if fee dependency on the audit client continues beyond a specified period;</li> <li>• communication of fee-related information to TCWG and to the public to assist their judgments about auditor independence; and</li> <li>• enhanced guidance on identifying, evaluating and addressing threats to independence.</li> </ul> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/Final-Pronouncement-Fees.pdf">https://www.ifac.org/system/files/publications/files/Final-Pronouncement-Fees.pdf</a></p>	<p>Effective for audits of financial statements for periods beginning on or after <b>15<sup>th</sup> December, 2021.</b></p> <p>Early adoption will be permitted.</p>

## INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

### IPSASs applicable for the next coming years

<b>PROJECTS/APPROVED STANDARDS</b>	<b>CHANGES</b>	<b>EFFECTIVE DATE</b>
<b>IPSAS 43: Leases</b>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 43 which replaces IPSAS 13 on issues related to leases.</b></p> <p>IPSAS 43 is a final product of phase one dealing with lease accounting model (s) for both lessees and lessors on the same definition of a lease as in IFRS 16.</p> <p>Now, IPSAS 43 requires the lease to recognize: -</p> <p>(a) A right-of- use asset because they control the right to use the underlying compared with IPSAS 13 where the lease recognizes the underlying asset when the lease is classified as a finance lease but not when it is classified as an operating lease.</p> <p>(b) A lease liability because they have a present obligation to make future lease payments in</p>	<p>Effective for annual periods beginning on or after <b>1<sup>st</sup> January 2025.</b></p> <p>Earlier application is permitted for entities that apply IPSAS 41 at or before the date of initial application of this standard.</p>

	<p>accordance with the lease contract (once the underlying asset has been made available and the lessee has the right to use it). Under IPSAS 13, a lease liability is not recognized when the lessee classifies the lease as an operating lease.</p> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IPSAS-43-Leases_0.pdf">https://www.ifac.org/system/files/publications/files/IPSAS-43-Leases_0.pdf</a></p>	
<b>IPSAS 44: Non - current Assets Held for Sale and Discontinued Operations</b>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 43 which replaces IPSAS 13 on issues related to leases.</b></p> <p>The standard specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:</p> <ul style="list-style-type: none"> <li>• Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and</li> <li>• Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</li> </ul> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IPSAS-44-Non-current-Assets.pdf">https://www.ifac.org/system/files/publications/files/IPSAS-44-Non-current-Assets.pdf</a></p>	<p>Effective for annual periods beginning on or after <b>1<sup>st</sup> January 2025.</b></p> <p>Earlier application is permitted, and it is early applied entities shall disclose that fact and apply IPSAS 43 on leases at the same time.</p>
<b>Final Pronouncement: Improvements to IPSAS, 2021</b>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued a final pronouncement on Improvements to IPSAS, 2021.</b></p> <p>The pronouncement deals with non-substantial changes to IPSAS through a collection of amendments that are unrelated, it categorizes the improvements to IPSAS into two parts: -</p> <p><b>Part I: General Improvements to IPSAS</b> Relates to amendments arise from comments received from stakeholders</p> <p><b>Part II: IFRS alignment improvements to IPSAS</b> Relates to amendments arise through consideration of the annual improvements and narrow scope amendments to projects of the IASB.</p> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/Improvements-to-IPSAS-2021_1.pdf">https://www.ifac.org/system/files/publications/files/Improvements-to-IPSAS-2021_1.pdf</a></p>	<p><b>Effective dates are as per the final pronouncements of each individual amended standard.</b></p>

<p><b>Final Pronouncement: Amendments to IPSAS 5, Borrowing Costs – Non-Authoritative Guidance</b></p>	<p><b>The International Public Sector Accounting Standards Board (IPSASB) has issued a non-authoritative guidance on amendments to IPSAS 5, Borrowing Costs.</b></p> <p>The objective of this pronouncement is to add non-authoritative material to IPSAS 5, Borrowing Costs, and to provide guidance for determining the extent to which borrowing costs can be capitalized.</p> <p>The amendments add implementation guidance and illustrative examples, which IPSAS 5 does not currently contain.</p> <p><b>For More information go to:</b> <a href="https://www.ifac.org/system/files/publications/files/IPSASB-Final-Pronouncement-Amendments-IPSAS-5-Borrowing-Costs.pdf">https://www.ifac.org/system/files/publications/files/IPSASB-Final-Pronouncement-Amendments-IPSAS-5-Borrowing-Costs.pdf</a></p>	<p><b>No amendment to authoritative standard.</b></p>
<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 2023.</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</p>	<p>Effective for the period beginning on or before <b>1<sup>st</sup> January 2022.</b></p>

	<p>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>	
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## INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

### IFRSs applicable for the next coming years

<b>PROJECTS/APPROVED STANDARDS</b>	<b>CHANGES</b>	<b>EFFECTIVE DATE</b>
<b>IFRS 17 “Insurance Contracts”</b>	<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><b>For annual financial statements beginning on or after 1st January, 2023.</b></p> <p><b>Earlier adoption is encouraged.</b></p>

For more information, contact:

**EXECUTIVE DIRECTOR  
NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS  
8 TH FLOOR, AUDIT HOUSE 4 UKAGUZI ROAD,  
P. O. BOX 1271,  
41104 TAMBUKARELI,  
DODOMA, TANZANIA  
TEL NOS: +255 26 2963318-9  
E-MAIL: [info@nbaa.go.tz](mailto:info@nbaa.go.tz)  
WEBSITE: [www.nbaa.go.tz](http://www.nbaa.go.tz)**