



TAGI News

Senator Talal Abu-Ghazaleh Awarded Shield of Excellence by Canisius College



BUFFALO, New York - May 10, 2011 - HE Senator Talal Abu-Ghazaleh, Chairman and CEO of Talal Abu-Ghazaleh Organization (TAG-Org), was awarded the Shield of Excellence by the highly reputable Canisius College in appreciation of his efforts in developing education in the Arab region.

The Shield was presented to Senator Abu-Ghazaleh by Head of the Accounting Department in a special ceremony at the College in Buffalo, New York.

Mr. Abu-Ghazaleh earned this prestigious award in recognition of the excellence achieved by Talal Abu-Ghazaleh Graduate School of Business (TAGSB) and in appreciation of introducing TAGITOP, the first Arab production with an Arab design and implemented as a non-profit project to support the efforts of the Arab society to access the world of knowledge.

During his visit to Canisius College, Senator Abu-Ghazaleh took part in several activities including a meeting with the Board of the Accounting Faculty along with the academic staff of the College. A special meeting was held with the College's Vice-President and his Deputies to discuss academic aspects of cooperation between the College and the Talal Abu-Ghazaleh Business University in Bahrain.

Moreover, Senator Abu-Ghazaleh presented the Talal Abu-Ghazaleh International Award for Excellence in the Accounting Programs to Ms. Jessica Grogan, in a special ceremony at the College.

Senator Abu-Ghazaleh also presented TAGITOP to his senior advisor on education Dr. Edward J. Gress, in appreciation of his role in making TAGSB in Jordan a success and in enhancing educational ties with the Canisius College. In a meeting with the students of the Canisius College, they asked Senator Abu-Ghazaleh to make TAGITOP available at the College's Library so that all the College's students and visitors could use it.



Winner of Best Description for **TAGITOP** Announced

AMMAN - May 11, 2011 - Winner of Best Description for TAGITOP, the first branded Arab netbook in the region, was announced recently in a special ceremony at Talal Abu-Ghazaleh Business Forum.

HE Senator Talal Abu-Ghazaleh awarded Mr. Waleed Al-Maitah, a government employee, the TAGITOP Best Description Award.

The contest brought together over 2,000 participants competing for the title to win a fully loaded TAGITOP.

HE Senator Abu-Ghazaleh stressed the importance of the TAGITOP initiative and the keenness of Talal Abu-Ghazaleh Organization (TAG-Org) to provide the Arab society with a high-tech portable computer that meets international standards.

"Placing our [TAG-Org's] logo on the laptop means we are committed to the value and quality of this netbook," he said.

"The initiative also seeks to make best use of the youth's potential and ideas aimed at enhancing and upgrading this initiative to achieve its main goal and to launch further initiatives in the future," he added calling on the youth to participate in TAG-Org's upcoming contests.

Upon winning the award, Mr. Maitah said: "The first netbook of its kind with an Arab design and investment has such features that are not less equal than those promoted by international companies, which demonstrates Arabs' ability."

According to TAGITOP's Executive Director, Mr. Salah Abu-Osbeh, TAGITOP contests will continue, and another TAGITOP device will be granted to the winner of "Best Comment" contest in early June.



3 May 2011: FASB issues ASU to improve financial reporting of repurchase agreements



On 29 April, the US Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-03 Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements. This ASU is intended to improve the accounting for repurchase agreements (repos) and other agreements that both entitle and obligate a transferor to repurchase or redeem financial assets before their maturity.

During the global economic crisis, capital market participants questioned the necessity and usefulness of assessing the transferor's ability criterion when determining whether a repo should be accounted for as a sale or as a secured borrowing. It is also not a consideration under international accounting standards (IAS 39 Financial Instruments: Recognition and Measurement forbids the derecognition of these financial instruments in most cases). The Board concluded that an entity's assurance of its ability to perform in accordance with its contractual rights or satisfy its contractual obligations should not be a determining factor as to whether an entity has (or does not have) effective control. The amendments in this Update remove from the assessment of effective control the transferor's ability criterion. It also removes implementation guidance related to that criterion.

26 April 2011: Shariah-compliant leases on the IASB's agenda for May

Even though the meeting is still marked as «tentative» the IASB has posted to its website a very insightful staff paper on Shariah-compliant leases for the IASB/FASB special meeting on 11 and 12 May 2011. Wayne Upton, the IASB's Director of International Activities, has compiled the paper as background document about issues in lessor accounting.

The paper focuses on Ijarah (leasing), Ijarah Muntahia Bittamleek (leasing with transfer of ownership) and Ijarah Thumma al-Bai' (leasing with subsequent sale of the leased object). The latter two are special constructions that were developed to allow for transactions that are common, yet in their usual form are not Shariah-compliant as they link two contracts that are by themselves permitted into a single contract that is not permitted. For the IASB's project on Leases, this seems to suggest that a performance-obligation approach is Shariah-compliant while a derecognition approach or in-effect sale treatment would not be.



Auditing News

US senate committee tackles financial crisis prevention



21 April 2011: IASB publishes near final drafts on consolidation, joint ventures and disclosures

The IASB published a 'near final draft' of the forthcoming package of five new and revised standards addressing the accounting for consolidation, involvements in joint arrangements and disclosure of involvements with other entities.

Each of the five standards will have an effective date for annual periods beginning on or after 1 January 2013, with earlier application permitted so long as each of the other standards in the 'package of five' are also applied early. However, entities will be permitted to incorporate any of the disclosure requirements in IFRS 12 into their financial statements without technically early applying the provisions of IFRS 12 (and thereby each of the other four standards).

For more information please visit the following website: www.iasplus.com



The US audit profession has defended the role of auditors in the financial crisis but suggested greater transparency could help prevent future crises. This week, regulatory bodies and standard setters were called as witnesses to a US Senate committee hearing on the role the accounting profession should play in preventing another financial crisis.

At the Dirksen Senate Office Building, Securities and Exchange Commission (SEC) chief accountant James Kroeker said that in the aftermath of the financial crisis, SEC enforcement teams are still pursuing cases stemming from actions that contributed to it, following settled enforcement actions involving Countrywide Financial, American Home Mortgage, New Century, IndyMac Bancorp, and Citigroup.

"There is reason to consider the extent to which improper, fraudulent, or inadequate financial reporting relating to GAAP reported results or to disclosures outside of the audited financial statements played a role in the financial crisis," Kroeker added. "When poorly performed audits contribute to or fail to detect financial reporting abuses, there are existing mechanisms for dealing with such misconduct, including SEC or Public Company Accounting Oversight Board (PCAOB) enforcement actions. For our part, we will continue to prosecute those who fail to comply with their obligations."

The SEC said it will look for ways to improve the financial reporting system in partnership with the Financial Accounting Standards Board (FASB) and the PCAOB.