



Summary of Recent Accounting Developments Q4 2022

by
Larry Gee

CNM Professional Practice Director

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Fourth Quarter 2022

New Accounting Standards

- ASU 2022-05, Financial Services—Insurance (Topic 944), Transition for Sold Contracts (December 2022)
 - The amendments in this Update amend the LDTI transition guidance to allow an insurance entity to make an accounting policy election on a transaction-by-transaction basis. An insurance entity may elect to exclude contracts that meet certain criteria from applying the amendments in Update 2018-12.¹

Big Firm Accounting Guides – new or revised

- PwC
 - Stock-based Compensation (November 2022)
 - Revenue from Contracts with Customers (October 2022)
 - Property, Plant, and Equipment and Other Assets (October 2022)
 - Bankruptcies and Liquidations (October 2022)
 - Fair Value Measurements (September 2022)
 - Financial Statement Presentation (September 2022)
 - Reference Rate Reform (July 2022)
- KPMG
 - Fair Value Measurement Handbook (December 2022)
 - Discontinued Operations Handbook (November 2022)
 - Employee Benefits Handbook (October 2022)
 - Debt and Equity Financing Handbook (October 2022)
 - Financial Statement Presentation Handbook (September 2022)
 - Investments Handbook (September 2022)
- EY
 - Financial Reporting Developments, Gains and Losses from the Derecognition of Nonfinancial Assets (September 2022)
 - Financial Reporting Developments, Revenue from Contracts with Customers (September 2022)
 - Financial Reporting Developments, Credit Impairment under ASC 326 (September 2022)
 - Financial Reporting Developments, Credit Impairment for Short-Term Receivables under ASC 326 (September 2022)
- Deloitte
 - Roadmap to Leases (December 2022)
 - Roadmap to Business Combinations (December 2022)
 - Roadmap to Income Taxes (December 2022)
 - Roadmap to Revenue Recognition (December 2022)
 - Roadmap to Consolidation—Identifying a Controlling Financial Interest
 - Financial Reporting Considerations Related to Environmental Events and Activities (November 2022)
 - Roadmap to SEC Reporting Considerations for Business Acquisitions (November 2022)

¹ The effective dates of the amendments in this Update are consistent with the effective dates of the amendments in Update 2020-11.

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- The Road to SOX Readiness: A Practical Guide for Choosing an Operating Model for Your Organization
- Roadmap to SEC Comment Letters and Industry Insights (November 2022)
- Roadmap to Noncontrolling Interests (November 2022)
- Roadmap to Equity Method Investments and Joint Ventures (November 2022)
- Roadmap to Impairments and Disposals of Long-Lived Assets and Discontinued Operations (October 2022)
- Roadmap to Hedge Accounting (October 2022)
- Roadmap to Current Expected Credit Losses (October 2022)

Other Guidance

- AICPA Practice Aid, Accounting for and Auditing of Digital Assets (December 2022)
- SEC Compliance and Disclosure Interpretations, Non-GAAP Measures (December 2022)
- SEC, Sample Letter to Companies Regarding Recent Developments in Crypto Asset Market
 - The sample comments focus on the need for clear disclosure about the material impacts of crypto asset market developments, which may include a company's exposure to counterparties and other market participants; risks related to a company's liquidity and ability to obtain financing; and risks related to legal proceedings, investigations, or regulatory impacts in the crypto asset markets.
- SEC Adopts Final Rule on "Clawback" Policies
 - On October 26, 2022, the SEC issued a final rule aimed at ensuring that executive officers do not receive "excess compensation" if the financial results on which previous awards of compensation were based are subsequently restated because of material noncompliance with financial reporting requirements. Such restatements would include those correcting an error that either (1) "is material to the previously issued financial statements" (a "Big R" restatement) or (2) "would result in a material misstatement if the error were corrected in or left uncorrected in the current period" (a "little r" restatement).
 - The final rule requires issuers to "claw back" excess compensation for the three fiscal years before the determination of a restatement regardless of whether an executive officer had any involvement in the restatement. The final rule also requires an issuer to disclose its recovery policy in an exhibit to its annual report and to include new checkboxes on the cover page of its annual report to indicate whether the financial statements "reflect correction of an error to previously issued financial statements and whether [such] corrections are restatements that required a recovery analysis." Additional disclosures are required in the proxy statement or annual report when a clawback occurs. Such disclosures include the date of the restatement, the amount of excess compensation to be clawed back, and any amounts outstanding that have not yet been clawed back.



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LOS ANGELES

A | 6320 Canoga Avenue
Suite 150
Woodland Hills, CA 91367
O | 818.999.9501

ORANGE COUNTY

A | 15635 Alton Parkway
Suite 450
Irvine, CA 92618
O | 949.299.5582

NEW YORK CITY

A | 264 West 40th Street
19th Floor
New York, NY 10018

SAN DIEGO

A | 12671 High Bluff Drive
Suite 350
San Diego, CA 92130

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