



Summary of Recent Accounting Developments Q3 2022

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Summary of Recent Accounting Developments

Third Quarter 2022

New Accounting Standards

- ASU 2022-04, Liabilities—Supplier Finance Programs (Subtopic 405-50) (September 2022)
 - The amendments in this Update require that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. To achieve that objective, the buyer should disclose qualitative and quantitative information about its supplier finance programs.¹
- ASU 2022-03, Fair Value Measurement (Topic 820), Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions² June (2022)
 - The amendments in this Update clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction.

Big Firm Accounting Guides – new or revised

- PwC
 - Financial statement presentation (July 2022)
 - Derivatives and hedging (July 2022)
 - Carve-out financial statements (July 2022)
 - Property, plant, equipment and other assets (June 2022)
 - Loans and investments (May 2022)
 - Crypto assets (May 2022)
 - Foreign currency (May 2022)
 - Business combinations and noncontrolling interests (May 2022)
- KPMG
 - Research and Development Handbook (August 2022)
 - Accounting Changes and Error Corrections Handbook (August 2022)
 - Equity method of accounting (August 2022)
 - Impairment: Nonfinancial Assets Handbook (July 2022)
 - Leases Handbook (June 2022)
- EY
 - Financial Reporting Developments, Earnings Per Share (September 2022)
 - Financial Reporting Developments, Fair Value Measurement (September 2022)
 - Financial Reporting Developments, Certain Investments in Debt and Equity Securities (September 2022)

¹ The amendments in this Update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for 3 the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. During the fiscal year of adoption, the information on the key terms of the programs and the balance sheet presentation of the program obligations, which are annual disclosure requirements, should be disclosed in each interim period. The amendments in this Update should be applied retrospectively to each period in which a balance sheet is presented, except for the amendment on rollforward information, which should be applied prospectively.

² For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2024, and interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance.

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- Financial Reporting Developments, Share-Based Payment (after ASU 2018-07) (September 2022)
 - Financial Reporting Developments, Impairment or Disposal of Long-Lived Assets (September 2022)
 - Financial Reporting Developments, Issuer's Accounting for Debt and Equity Financings After ASU 2020-06 (September 2022)
 - Financial Reporting Developments, Issuer's Accounting for Debt and Equity Financings Before ASU 2020-06 (September 2022)
 - Financial Reporting Developments, Derivatives and Hedging (September 2022)
 - Financial Reporting Developments, Lease accounting ASC 842 (August 2022)
 - Financial Reporting Developments, Income taxes (August 2022)
 - Financial Reporting Developments, Consolidation (August 2022)
 - Financial Reporting Developments, Accounting changes and error corrections (July 2022)
 - Financial Reporting Developments, Statement of cash flows (July 2022)
 - Technical Line, Accounting considerations for transactions and arrangements related to climate change initiatives (July 2022)
 - Financial Reporting Developments, Business combinations (June 2022)
 - Financial Reporting Developments, Transfers and servicing of financial assets (June 2022)
 - Financial Reporting Developments, Equity method investments and joint ventures (June 2022)
- Deloitte
 - Roadmap to Environmental Obligations and Asset Retirement Obligations (September 2022)
 - Roadmap to SEC Reporting Considerations for Equity Method Investees (September 2022)
 - Roadmap to Earnings per Share (September 2022)
 - Roadmap to Fair Value Measurements and Disclosures (Including the Fair Value Option) (August 2022)
 - Roadmap to Segment Reporting (August 2022)
 - Roadmap to Share-Based Payment Awards (August 2022)
 - Roadmap to Initial Public Offerings (August 2022)
 - Roadmap to Carve-Out Transactions (August 2022)
 - Roadmap to SEC Reporting Considerations for Guarantees and Collateralizations (August 2022)
 - Roadmap to Comparing IFRS Accounting Standards to U.S. GAAP: Bridging the Differences (July 2022)
 - Roadmap to Non-GAAP Financial Measures and Metrics (July 2022)

Other Guidance

- AICPA Working Draft of Accounting and Valuation Guide for Business Combinations (September 2022)
 - This AICPA Accounting and Valuation Guide has been developed by the AICPA Business Combinations Task Force (task force) and AICPA staff. This guide provides guidance and illustrations for preparers of financial statements, independent auditors, and valuation specialists regarding the accounting and valuation considerations for business combination transactions. This guide also addresses certain disclosure considerations but it does not discuss all the disclosure requirements related to business combinations. The valuation guidance in this guide is focused on measuring fair value for financial reporting purposes.
- SEC JOBS Inflation Act Adjustments, EGC thresholds (September 2022) ³
- AICPA, Accounting for and auditing of digital assets (June 2022)

³ Effective upon publication in the Federal Register.



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Our extensive knowledge of US GAAP, ICFR and SEC reporting skills has given us the ability to assist our clients with transactions that are not only multifaceted, but the capability to implement new or complex accounting standards. We have over 175 partners and employees in our Los Angeles, Orange County, San Diego, and New York City offices. Many of our clients are developed from direct referrals from the Big 4 accounting firms, speaking to the level of quality services we provide.

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