

## US Reporting Newsletter for Non-US Based Companies

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### Global Offerings Services

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#### December 2006

Global Offerings Services (GOs) comprises a global team of practitioners assisting non-US companies and non-US practice office engagement teams in applying US and International accounting standards (i.e., US GAAP and IFRS) and in complying with the SEC's financial reporting rules. For more information please contact the GOs Center leader nearest you.

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### GAAP Matters

#### **FASB Issues FSP on Accounting for Registration Payment Arrangements**

On December 21, 2006, the FASB issued final FASB Staff Position (FSP) No. EITF 00-19-2, *Accounting for Registration Payment Arrangements*, which addresses an issuer's accounting for registration payment arrangements. This FSP requires that an entity should recognize and measure a registration payment arrangement as a separate unit of account from the financial instrument (s) subject to that arrangement.

This FSP states that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement should be separately recognized and measured in accordance with FASB Statement No. 5, *Accounting for Contingencies*. This FSP further specifies that a financial instrument subject to a registration payment arrangement should be recognized and measured in accordance with other applicable GAAP (for example, APB Opinion No. 21, *Interest on Receivables and Payables*, FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* and EITF Issue No. 00-19, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock*) without regard to the contingent obligation to transfer consideration pursuant to the registration payment arrangement. The following accounting literature is amended by this FSP to include scope exceptions for registration payment arrangements:

- FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*
- FASB Statement No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*
- FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*

The FSP provides examples of how to apply the measurement and recognition guidance and transition provisions to various types of registration payment arrangements.

This FSP is effective immediately for registration payment arrangements and the financial instruments subject to those arrangements that are entered into or modified subsequent to December 21, 2006. Otherwise, the guidance in the FSP is effective for financial statements issued for fiscal years beginning after December 15, 2006, and interim periods within those fiscal years. For registration payment arrangements and financial instruments subject

to those arrangements that were entered into prior to December 21, 2006 and that continue to be outstanding at the beginning of the period of adoption, the FSP requires retrospective application.

[Click here](#) to access the text of this FSP.

### TPA on Liquidated Damages

The AICPA issued a Technical Practice Aid (TPA) on accounting for liquidated damages by the buyer of property, plant and equipment (PP&E). The TPA states that the liquidated damages received by the buyer for the nondelivery and noncompletion of construction of PP&E by a stated completion date should be recorded as a reduction of the cost of PP&E. Amounts of liquidated damages in excess of the cost of PP&E should be recognized by the buyer as income.

[Click here](#) to access the TPA.

### TPA on Income Taxes

The AICPA issued a TPA related to the income tax accounting for contributions to certain nonprofit scholarship funding organizations. The TPA states that an entity should report such contributions as contributions in its income statement in accordance with FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*. These should not be reported as income tax expense as tax deduction for such contributions does not change the nonreciprocal nature of the gift.

[Click here](#) to access the TPA.

### TPAs on Investment Companies

The AICPA issued four TPAs related to investment companies to address the following topics:

- Recognition of Premium/Discount on Short Positions in Fixed-Income Securities
- Presentation of Reverse Repurchase Agreements
- Accounting Treatment of Offering Costs Incurred by Investment Partnerships
- Meaning of "Continually Offer Interests"

[Click here](#) to access the TPAs.

### FASB Issues Proposed Statement on Disclosures for Derivatives and Hedging Activities

On December 8, 2006, the FASB issued a proposed Statement, *Disclosures about Derivative Instruments and Hedging Activities* - an amendment of FASB Statement No. 133. This proposed statement would amend and expand the disclosure requirements in FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* and other related literature for derivative instruments and related hedged items. The proposed Statement would require the disclosure of:

- The objectives and strategies for using derivative instruments
- The notional amounts, fair values and gains and losses on derivative instruments and related hedged items in tabular form
- The counterparty credit risk in derivative instruments
- Contingent features included in derivative instruments
- The balance sheet and income statement location of certain information related to derivative instruments

According to the FASB, these disclosures seek to better convey the risks the entity is intending to manage and the additional risks the entity may be taking on when using derivative instruments. In addition, the requirements will make clear how derivatives and related hedged items affect reported amounts in the financial statements.

The requirements of the proposed Statement would be effective for financial statements issued for fiscal years and interim periods ending after December 15, 2007, with early application encouraged. The proposed Statement would encourage but would not require disclosures for earlier periods at initial adoption. In years after initial adoption, the proposed Statement would require disclosures for earlier periods. Comments are due by March 2, 2007.

[Click here](#) to access the text of this proposed statement.

### FASB Issues Proposed FSP FIN 46(R)-d

On November 11, 2006, the FASB issued a proposed FSP FIN 46(R)-d, *Application of FASB Interpretation No. 46(R) to Investment Companies*. The proposed FSP's objective is to provide an exception to the scope of FASB Interpretation No. 46(R), *Consolidation of Variable Interest Entities*. The exception would apply to investments accounted for at fair value in accordance with the specialized accounting guidance in the AICPA's Audit and Accounting Guide, *Investment Companies*. Interpretation 46(R) indefinitely defers its effective date for investment companies that are not subject to SEC Regulation S-X, Rule 6-03(C) (1), but that are accounting for their investments in accordance with the specialized accounting guidance in the *Investment Companies* guide. The Board indicated in Interpretation 46(R) that it would consider modifying the Interpretation to provide a scope exception upon the issuance of a Statement of Position (SOP) by the AICPA. The AICPA has finalized an SOP, *Clarification of the Scope of the Audit and Accounting Guide, Investment Companies, and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies*. The AICPA expects to issue this SOP in the first quarter of 2007, effective for fiscal years beginning on or after December 15, 2007, with earlier application encouraged. The FASB decided that the SOP would be effective in limiting the use of the specialized accounting in the *Investment Companies* guide to appropriate facts and circumstances. The effective date of the proposed FSP will be upon initial adoption of the final SOP. The transition guidance in paragraph 57 of the SOP should be applied for this FSP as well.

[Click here](#) to access the text of this proposed FSP.

### FASB Proposes Amendment to FIN 39

On December 13, 2006, the FASB issued a proposed FSP FIN 39-a, *Amendment of FASB Interpretation No. 39*. This proposed FSP would amend FASB Interpretation No. 39, *Offsetting of Amounts Related to Certain Contracts*, to replace references to conditional contracts and exchange contracts with the term derivative instruments, as defined in FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* from an applicability perspective. The proposed FSP would also amend Interpretation 39 to indicate that the following fair value amounts could be offset against each other if the conditions in paragraph 5a, 5b, and 5d of Interpretation 39 are otherwise met:

- Those recognized for derivative instruments executed with the same counterparty under a master netting arrangement and
- Those recognized for the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) arising from the same master netting arrangement as the derivative instruments.

In addition, a reporting entity would not be precluded from offsetting the derivative instruments if it determines that the amount recognized upon payment or receipt of cash collateral is not a fair value amount. The proposed FSP would add related presentation guidance and disclosure requirements to Interpretation 39.

The guidance in this FSP would be effective for fiscal years beginning after December 15, 2006. The FSP would require retrospective application unless it is impracticable to do so. If a reporting entity determines it is impracticable to retrospectively apply the guidance in this FSP for all financial statements presented, the reporting entity shall disclose why it is impracticable and apply the guidance in this FSP retrospectively for as many consecutive prior financial statements as practicable. Comments are due by January 31, 2007.

[Click here](#) to access the text of this proposed FSP.

## FASB Issues Proposal That Would Update Guidance Relating to Statements 87, 88 and 106

FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* amended the recognition provisions of FASB Statement No. 87, *Employers' Accounting for Pensions*, FASB Statement No. 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, and FASB Statement No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions* to require recognition of the funded status of defined benefit postretirement plans in an employer's statement of financial position. However, Statement 158 did not amend the illustrations contained in Appendix B of Statement 87, Appendix B of Statement 88, and Appendix C of Statement 106. The FASB issued a proposed FSP FAS 158-a, *Conforming Amendments to the Illustrations in FASB Statements No. 87, No. 88, and No. 106 and to the Related Staff Implementation Guides*. This proposed FSP would update those illustrations that have continuing relevance to reflect the provisions of Statement 158.

Further, Statement 158 did not amend the questions and answers contained in FASB Special Reports (Guides to Implementation of Statement 87, 88 and 106) related to Statements 87, 88, and 106. This FSP would also amend the questions and answers contained in the FASB Special Reports and incorporate that guidance as new appendixes to Statements 87, 88 and 106 respectively:

This FSP would be effective as of the effective dates of Statement 158. The unaffected guidance that this FSP would codify into Statements 87, 88 and 106 does not contain new requirement, and therefore, does not require a separate effective date or transition method. Comments are due by January 8, 2007.

[Click here](#) to access the text of this proposed FSP.

## Practice Guide: Interpretation 48

The AICPA issued Practice Guide on Accounting for Uncertain Tax Positions under FASB Interpretation No. 48, *Accounting for Uncertainty in Taxes* – an interpretation of FASB Statement No. 109. Although not authoritative, the guide gives the reader a general overview of the requirements of Interpretation 48.

[Click here](#) to access the guide on the AICPA's Web site.

## AICPA Issues Working Draft of Convertible Debt, Convertible Preferred Shares, Warrants, and Other Equity-Related Financial Instruments

The AICPA issued a working draft of a TPA to provide preparers and auditors with one way to navigate the relevant authoritative literature in existence on December 1, 2006, that is applicable to the accounting for financial instruments that are indexed to, and potentially settled in, a company's own stock (both freestanding instruments and instruments embedded in another financial instrument). The authoritative literature discussed in the working draft include:

- Accounting Principles Board Opinion No. 14, *Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants*

- FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*
- FASB Statement No. 150, *Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity*
- EITF Issue No. 98-5, *Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios*
- EITF Issue No. 00-6, *Accounting for Freestanding Derivative Financial Instruments Indexed to, and Potentially Settled in, the Stock of a Consolidated Subsidiary*
- EITF Issue No. 00-19, *Accounting for Derivative Financial Instruments Indexed to and Potentially Settled in, a Company's Own Stock*
- EITF Issue No. 00-27, *Application of Issue No. 98-5 to Certain Convertible Instruments*
- EITF Issue No. 01-6, *The Meaning of 'Indexed to a Company's Own Stock'*
- EITF Issue No. 05-2, *The Meaning of 'Conventional Convertible Debt Instrument' in Issue No. 00-19*
- EITF Abstracts, Topic D-98, *Classification and Measurement of Redeemable Securities*
- SEC Accounting Series Release (ASR) 268, *Redeemable Preferred Stocks*.

[Click here](#) to access the working draft on AICPA Web site.

## FASB Withdraws Proposal to Amend Statements 141, 142 and 144

As reported in October-November 2006 edition of this newsletter, the FASB issued proposed FASB Staff Position (FSP) FAS 141-b, 142-e, and 144-b, *Fair Value Measurements in Business Combinations and Impairment Tests* to amend certain provisions of FASB Statement No. 141, *Business Combinations*, FASB Statement No. 142, *Goodwill and Other Intangible Assets*, and FASB Statement No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*.

At its meeting dated December 13, 2006, after considering the comment letters received during the exposure period of proposed FSP, the FASB decided not to issue a final FSP and removed the project from its agenda.

[Click here](#) to access the minutes of the FASB meeting.

## Regulatory Matters

### PCAOB Proposes New Auditing Standard

On December 19, 2006, the PCAOB issued a proposed standard, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*, on auditing internal control over financial reporting that would supersede PCAOB's Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements*. Additionally, the PCAOB also proposed a related auditing standard on using the work of others, a proposed independence rule and certain amendments to its interim standards. These proposals are in request-for-comment stage and further require to be approved by the SEC to be effective. Accordingly, the auditors are required to follow the current guidance of Auditing Standard 2 until the proposals become effective. These proposals are discussed in more detail below.

## **Proposed Auditing Standard - An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements**

The proposed auditing standard would supersede Auditing Standard No. 2 and is designed primarily to:

- A. Focus the auditor on the matters most important to internal control by
  - Directing the auditor's attention towards the most important controls
  - Emphasizing the importance of risk assessment
  - Revising the definitions of significant deficiency and material weakness as well as the "strong indicators" of a material weakness
  - Clarify the role of materiality, including interim materiality, in the audit
- B. Eliminate unnecessary procedures by
  - Removing the requirement to evaluate management's process
  - Permitting consideration of knowledge obtained during previous audits
  - Refocusing the multi-location testing requirements on risk rather than coverage
  - Removing barriers to using the work of others
  - Recalibrating the walkthrough requirements
- C. Make the audit more scalable for smaller and less complex companies by directing the auditor to tailor the audit to reflect the attributes of smaller and less complex companies
- D. Simplify the requirements by reducing detail and specificity

## **Proposed Auditing Standard - Considering and Using the Work of Others**

The proposed standard would supersede AICPA Statement on Auditing Standard No. 65, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements* and AU sec. 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements* and the direction currently contained in Auditing Standard No. 2 regarding using the work of others. Among other things, the proposed standard would allow the auditor to appropriately use the work of others, and not just internal auditors, for both the internal control audit and the financial statement audit, eliminating a barrier to integration of the two audits and provide a single framework for using the work of others based on the auditor's evaluation of the combined competence and objectivity of others and the subject matter being tested.

## **Proposed Rule 3525 - Audit Committee Pre-approval of Services Related to Internal Control**

The proposed new independence rule would replace direction currently contained in Auditing Standard No. 2 regarding independence and internal control-related services. The proposed rule is intended to ensure that audit committees are provided relevant information for them to make an informed decision on how the performance of internal control-related services may affect independence. The new rule would also recognize that audit committees may pre-approve the provision by their independent auditor of internal control-related services on an ad hoc (i.e., specific

to each request) basis, or pursuant to committee-approved policies and procedures.

## **Proposed Amendments to the Board's Interim Standards**

The PCAOB proposed amendments that, among other things, would simplify the internal control standard by moving certain information currently contained in Auditing Standard No. 2 to other existing interim standards. The proposed amendments would also change the existing requirement with respect to dating of audit report.

Comments on the PCAOB proposals are due February 26, 2007.

[Click here](#) to access the press release on the PCAOB Web site.

[Click here](#) to access the above proposals on the PCAOB Web site.

## **PCAOB Amended Rules Relating to Inspection**

On December 19, 2006, the PCAOB adopted an amendment to Rule 4003 to make a temporary adjustment to inspection frequency requirements. The rule temporarily adjusts the minimum frequency that the PCAOB inspects registered public accounting firms that have 100 or fewer issuer audit clients. The amendment will expire on June 30, 2007, unless the PCAOB acts to extend it. The amendment will take effect upon approval by the SEC.

Although the PCAOB has adopted the amendment to Rule 4003 as a final rule, the PCAOB invites public comment. The PCAOB will consider any comments in determining whether to extend the amendment beyond June 30, 2007. Comments are due by February 16, 2007.

[Click here](#) to access the rule amendment on the PCAOB Web site.

## **Proposed Interpretive Guidance for Management to Improve Sarbanes-Oxley 404**

The Securities Exchange Commission (the 'SEC' or 'Commission') proposed for public comment interpretive guidance regarding managements' evaluations of internal control over financial reporting. The proposed interpretive guidance is designed to assist management regarding its evaluation of internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002. The proposed guidance sets forth an approach whereby management can conduct a top-down, risk-based evaluation of internal control over financial reporting. The proposed guidance:

- Recognizes that an internal control structure will vary from company to company depending on many factors including company size.
- Provides an approach for evaluating the effectiveness of a company's internal controls over financial reporting that is not prescriptive, but rather based around two broad principles - design and operating effectiveness.
- Beginning with identification of financial reporting risks and controls and ending with management's assessment report, walks management through the steps necessary to satisfy these two principles, while also clarifying that management's reasonable judgment in applying these steps is paramount.

Notes that the assessment process can and should be tailored by management in a manner that appropriately recognizes the specific characteristics of the company being evaluated.

The Commission also proposed amendments to Rules 13a-15 and 15d-15 to clarify that a company choosing to evaluate internal control in accordance with the interpretive guidance would satisfy the Rules' requirement to perform an annual evaluation. Finally, the Commission proposed amendments to Regulation S-X to clarify the

auditor's reporting requirement pursuant to Section 404(b) of the Sarbanes-Oxley Act.

Comments on the proposed interpretive guidance and rule amendments should be received by the Commission by February 27, 2007.

[Click here](#) to access the press release on the SEC's Web site.

[Click here](#) to access the proposed interpretative guidance on the SEC's Web site.

## Extension of Section 404 Compliance for Nonaccelerated Filers and Newly Public Companies

On December 15, 2006, the SEC issued a final rule, *Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies*, extending compliance deadlines with the Section 404 requirements of the Sarbanes-Oxley Act of 2002 and for the auditor's attestation for non-accelerated filers. The final rule extends the date by which non-accelerated filers must provide management's report assessing the effectiveness of the company's internal control over financial reporting from fiscal years ending on or after July 15, 2007, to fiscal years ending on or after December 15, 2007. In addition, the final rule extends the effective date for the auditor's attestation report on internal control over financial reporting to the first annual report for a fiscal year ending on or after December 15, 2008.

The final rule also provided a transition period for Section 404 compliance for all newly public companies (i.e., any company that has become public through an initial public offering or a registered exchange offer or that otherwise has become subject to the Exchange Act reporting requirements including a foreign private issuer that is listing on a U.S. exchange for the first time). Under the final rule, a newly public company, regardless of its size, will not be required to provide either a management assessment of internal control over financial reporting or an auditor attestation report thereon until it files its second annual report with the SEC.

[Click here](#) to access the press release on SEC's Web site.

[Click here](#) to access the final rule on SEC's Web site.

## TPA Regarding Effective Date of a New Statement on Auditing Standards

The AICPA issued two Technical Practice Aids, TIS Section 8100.01 and 8100.02, on determining the effective date of a new statement on auditing standards. TPAs provide examples on determining the effective date of a new statement on auditing standards for:

- Audits of a single financial statement
- Audits of interim periods

[Click here](#) to access the TPA on AICPA Web site.

## Amendment to Executive Compensation Disclosure Rules

On December 22, 2006, the SEC issued interim final rules on Executive Compensation Disclosure that amend the disclosure requirements for executive and director compensation. Under the amended rules:

- The Summary Compensation Table and the Director Compensation Table will include the compensation cost of stock awards and option awards over the requisite service period, as defined in FASB Statement No. 123R, *Share-based Payment*, instead of the aggregate grant date fair value of awards computed in accordance with Statement 123R.

- The Grants of Plan-Based Awards Table will include the following information computed in accordance with Statement 123R:
  - A column showing, on a grant-by-grant basis, the full grant date fair value of awards; and
  - The incremental fair value of repriced or materially modified options, stock appreciation rights, and similar option-like instruments, computed as of the repricing or modification date.

The amendments are effective December 22, 2006. However, as these are interim final rules, the SEC has indicated that it will consider comments provided by constituents for the 30 days following December 22, 2006, for purposes of making any necessary revisions to the interim final rules.

[Click here](#) to access the interim final rules on SEC's Web site.

[Click here](#) to access the press release on SEC's Web site.

## Proposed Amendments to the Rules on Deregistration of Foreign Private Issuers

The SEC re-proposed amendments to the rules that govern when a foreign private issuer may terminate the registration of a class of equity securities under Section 12(g) of the Securities Exchange Act of 1934 (the 'Exchange Act') and the corresponding duty to file reports required under Section 13(a) of the Exchange Act, and when it may cease its reporting obligations regarding a class of equity or debt securities under Section 15(d) of the Exchange Act. Under the current rules, a foreign private issuer may exit the Exchange Act registration and reporting regime if the class of the issuer's securities has fewer than 300 record holders who are U.S. residents. Because of the increased globalization of the U.S. securities markets that has occurred since the adoption of these rules, a foreign private issuer may find it difficult to terminate its Exchange Act registration and reporting obligations even if there is relatively little interest in the issuer's securities among U.S. investors. Moreover, a foreign private issuer currently can suspend, but not terminate, a duty to report arising under Section 15(d) of the Exchange Act.

Re-proposed Exchange Act Rule 12h-6 would permit the termination of Exchange Act reporting regarding a class of equity securities under either Section 12(g) or Section 15(d) of the Exchange Act by a foreign private issuer that meets a quantitative benchmark designed to measure relative U.S. market interest for that class of securities, which does not depend on a head count of the issuer's U.S. security holders. The reproposed benchmark would require the comparison of the average daily trading volume of an issuer's securities in the United States with that in its primary trading market.

Comments on the rule re-proposal must be received by the Commission by January 19, 2007.

[Click here](#) to access the press release on the SEC's Web site.

[Click here](#) to access the re-proposed rule on the SEC's Web site.

## E-Proxy Rule Amendments

The SEC voted to adopt amendments to its proxy rules that would allow companies to furnish proxy materials to shareholders over the Internet through a "notice and access" model. The Commission also voted to propose rule changes that would require companies and soliciting persons to follow the notice-and-access model for all solicitations not related to a business combination transaction in the future.

Comments on the rule amendments should be received by the Commission within 60 days of their publication in the Federal Register.

[Click here](#) to access the press release on the SEC's Web site. According to the press release, the proposed rule amendments will be posted as soon as they are available. Once posted, links to the full text are typically added to the press release.

## **SEC Seeks Comment on Implementation Date of Rule 3523**

On October 31, 2006, the PCAOB adjusted the implementation schedule for one part of Rule 3523 and decided not to apply Rule 3523 to tax services provided on or before April 30, 2007 (an extension from the original October 31, 2006, date), when those services were performed during the audit period and completed before the professional engagement period begins. The SEC is seeking comments on this rule change. Comments are due January 4, 2007.

[Click here](#) to access the press release on the SEC's Web site.

## **Other Matters**

### **AICPA Hosts Annual Conference on SEC and PCAOB Developments**

The AICPA hosted its 2006 National Conference on Current SEC and PCAOB Developments featuring speeches by, and question and answer sessions with, members of the SEC, PCAOB, and other standard setters. The speakers' remarks provide insight into current concerns and priorities of their organizations. The Conference also provides a forum for regulators to share information and express concerns in advance of the annual reporting season. The overarching theme of this year's conference was the quality of financial reporting and the possible ways to reduce its complexity. Other key topics discussed were:

- Transparency of financial reporting and disclosure;
- Internal control reporting by management and independent auditors;
- International and US GAAP convergence;
- eXtensible Business Reporting Language (XBRL) reporting;
- Stock option "back-dating";
- Issues relating to quantifying errors under the rollover vs. the iron-curtain approach as discussed in Staff Accounting Bulletin No. 108; and
- Technical accounting issues (e.g., Business combinations, Fair Value (including Statement 157), Income Taxes – FIN 48, Financial Instruments – Derivatives, Share-Based Payment, Revenue Recognition, Consolidation, Earnings Per Share, Materiality, Pensions and postretirement benefits)

[Click here](#) to access Deloitte & Touche's December 21, 2006 *Heads Up* on the Highlights of the AICPA's December 11-13, 2006 SEC and PCAOB Conference.

[Click here](#) to access the speech of PCAOB Chairman Mark W. Olson at the AICPA December 11-13, 2006 SEC and PCAOB Conference wherein he discussed the PCAOB's Current Priorities, its Supervisory Approach and International Outlook.

## **SEC Updates Current Accounting and Disclosure Issues Document**

On November 30, 2006, the SEC published an updated version of *Current Accounting and Disclosure Issues* in the Division of Corporate Finance. The document, which is an update of the December 1, 2005,

publication, captures the SEC's significant rulemaking developments and current thinking on a variety of accounting and disclosure topics.

In addition to specific rules proposed or adopted by the SEC (and covered in previous editions of Accounting Roundup), the document includes the following topics that have been added or revised since December 2005:

- Quantifying misstatements
- Operating segments and goodwill impairment
- Aggregation of operating segments
- Disclosure of liability for unpaid claims and claim adjustment expenses and reinsurance recoverables on paid and unpaid claims
- Adoption of a new accounting standard in an interim period
- Disclosure regarding cash flows associated with discontinued operations and insurance proceeds in the statement of cash flows
- Disclosures regarding loss contingencies in MD&A
- Shortcut method of assessing hedge effectiveness

[Click here](#) to access the November 2006 edition of Current Accounting and Disclosure Issues in the Division of Corporate Finance on the SEC's Web site.

## **Deloitte offers Dbriefts, Live Webcasts for executive level audience**

Now available to the audience outside of the U.S., Deloitte & Touche LLP offers Dbriefts, live webcasts that give valuable insights on a variety of business topics aimed at executive level audience across function and industry including:

- Financial Executives
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- Financial Services
- Consumer Business
- Technology, Media & Telecommunications

Archived webcasts are available for 90 days after the live presentation. Read below the entire schedule of webcasts for the month of May 2006. To join Dbriefts:

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## **Upcoming Webcasts include the following:**

### **Financial Reporting**

- Quarterly Accounting Roundup: An Update of Important Developments (January 16, 2:00 PM EST (19:00 GMT))

### **Sarbanes-Oxley**

- ERP Solutions for Governance, Risk, and Compliance (January 25, 2:00 PM EST (19:00 GMT))
- Extracting Lasting Benefits from Compliance Efforts (February 22, 2:00 PM EST (19:00 GMT))

### **Transactions & Business Events**

- SFAS 157 Fair Value Measurements for Corporate Assets: It's Not Business As Usual (January 17, 2:00 PM EST (19:00 GMT))
- Forensic Investigations: Understanding the Role of Audit Committee (February 14, 2:00 PM EST (19:00 GMT))

### **Corporate Governance**

- Doing Business in China: Corporate Governance Considerations (February 7, 2:00 PM EST (19:00 GMT))

[Click here](#) for further details of these Webcasts and to join Dbriefts.

## **Recent Deloitte Publications**

Below is a list of Deloitte publications about the most recent rule proposals and legislative actions.

- ▶ [Accounting Roundup: November 2006](#)
- ▶ [Accounting Roundup: October 2006](#)
- ▶ [Accounting Roundup: Third Quarter in Review - 2006](#)
- ▶ [Heads Up: Highlights of AICPA National Conference on current SEC and PCOAB developments](#)
- ▶ [EITF Roundup: November 2006](#)
- ▶ [Heads Up: FASB Issues Standard on Measuring Fair Value](#)
- ▶ [Heads Up: Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans](#)
- ▶ [Heads Up: SEC Staff's Views on Option Backdating and Grant Practices](#)

### **IAS Plus Website**

Deloitte's IAS Plus website discusses current and future developments in the International Financial Reporting Standards (IFRS) environment.

### **e-Learning training materials for International Financial Reporting Standards**

Deloitte is pleased to make available e-learning training materials for IFRS free of charge. [Click here](#) to Access Deloitte's IFRS e-Learning Material.

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