



Comparing US GAAP and International Financial Reporting Standards

Recent actions have confirmed that all listed companies in the European Union are obliged to use International Financial and Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) from 2005. This course discusses the differences between U.S. GAAP and IFRS, highlighting these differences by using actual reconciliations between the two standards prepared by SEC registrants.

Available Session(s):

10-Nov-2008 -- 12-Nov-2008 New York

USD \$3275

NY Institute of Finance - 9:00am - 4:30pm
Midtown

Mon Tue Wed

Instructor(s):[James E. Morris;]

Targeted Audience

Accountants, analysts, investor relations executives and any other professionals who require an understanding of the changing world of international accounting.

Advance Preparation

No advance preparation required.

Prerequisites

Each day of this seminar may qualify for: ACCA 6 CPD Hours; NASBA 7 CPE Credits

Learning Objectives

Students will be able to:

- Explain the relationship between the Financial Accounting Standards Board, Public Company Accounting Oversight Board, and the Securities and Exchange Commission
- Describe the purpose and goals of the Financial Accounting Standards Board
- Describe what is required for a firm's financial statements to be in compliance with US Generally Accepted Accounting Principals
- Compare differences in the presentation of financial statements

- Explain the accounting for changes in accounting policies and estimates
- Briefly explain IFRS to US GAAP reconciliation, including requirements for filing Form 20-F
- Address practice matters for reconciling between two standards
- Account for the acquisition of a business using purchase accounting
- Define the acquisition date and value equity securities
- Describe the recognition of goodwill apart from other net assets acquired
- Explain the elimination of negative goodwill upon acquisition
- Compare the US GAAP pronouncements dealing with specific revenue recognition issues to the requirements of the substance-based accounting treatment under IFRS
- Discuss issues involving revenue recognition under leasing arrangements, including sales-leaseback accounting
- Describe the differences in accounting for investments in debt and equity securities
- Compare the treatments of transfers of financial assets and extinguishments of financial liabilities
- Overview of the IASB substance-over-form approach whether or not SPEs are consolidated
- Describe the treatment of qualified SPEs under SFAS 140.
- Compare treatment of restructuring provisions
- Describe differences between the accounting for contingencies and guarantees
- Compare the basics of pensions accounting
- Discuss the use of actuarial valuation reports and the assumptions used in computing the pension liability
- Describe relative accounting standards for property, plant, and equipment, including interest costs
- Explain differences in the accounting for intangible assets, including websites and internal-use software
- Discuss the goals and current progress of the convergence project between the IASB and FASB
- Identify and discuss areas where significant differences remain and why they have yet to be resolved

Alumni Comments

"Excellent instructor and material"

"The course is industry specific and problem areas at the job site are well-evaluated."

"The instructor was knowledgeable and able to translate the material well."

Level: Basic

CPE Credits: 21.5

Instructional Method: Group-Live

Detailed Outline

DAY ONE

Introduction to the Organizations and Conceptual Differences Between the Two Standards

- Who are the FASB and what are their goals?
- What does it mean to be in compliance with US GAAP and why are there various rules/rule makers?
- Who are the IASB and what are their goals?
- What does it mean to be in compliance with IFRS?
- What are the conceptual differences (i.e. substance-based vs. rules-based) between the two standards?

Financial Statements and Disclosures

- Differences in the presentation of financial statements
- Changes in accounting policies and estimates
- Segment reporting
- Discontinued operations
- Other general disclosure differences

Differences Between US GAAP and IFRS

- Brief review of IFRS to US GAAP reconciliation; Form 20-F filing
- Practical matters for reconciling between the two standards

Business Combinations and Subsequent Accounting

- Accounting for the acquisition of a business using purchase accounting
- Acquisition date and valuing equity securities
- Contingent consideration
- Fair value adjustments including; restructuring provisions, deferred taxes, in-process research and development and other intangible assets

DAY TWO

Goodwill, Negative Goodwill and Annual Impairment Testing

- Recognition of goodwill apart from other net assets acquired
- Elimination of negative goodwill upon acquisition
- Overview of annual impairment testing for goodwill in lieu of amortization

Revenue Recognition and Leasing

- Reviewing various US GAAP pronouncements dealing with specific revenue recognition issues and comparing the requirements to the substance based accounting treatment under IFRS
- Issues involving revenue recognition under leasing arrangements, including sales-leaseback accounting

Financial Instruments: IAS 39 vs. US GAAP

- Investments in debt and equity securities
- Transfers of financial assets and extinguishments of financial liabilities
- Derivatives and hedging

Special Purpose Entities

- Overview of the IASB substance over form approach to whether or not SPEs are consolidated
- Qualified SPEs under SFAS 140
- Consolidation of Variable Interest Entities (VIEs) under FIN 46
- Future developments by the IASB and FASB

- Subsequent adjustments to fair values on acquisition date
 - Consolidation, proportional consolidation for joint venture and equity method accounting
 - Accounting for minority interests
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DAY THREE

Accounting for Liabilities

- Restructuring provisions
- Contingencies and guarantees
- Decommissioning costs
- Deferred taxes

Pensions and Post-Retirement Benefits

- Basics of pensions accounting
- Using actuarial valuation reports and the assumptions used in computing the pension liability
- Amortization of certain amounts
- Required disclosures
- Future developments

Overview of Differences in Assets

- Property, plant and equipment, including interest costs
- Intangible assets, including websites and internal-use software
- Inventories
- Recognition and measurement of impairment

Convergence Issues and the Future of Global Accounting Standards

- Goals and current progress of the convergence project between the IASB and FASB
- Areas where significant differences remain and why they have yet to be resolved
- Future of global accounting standards:

is one global accounting standard possible?

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.