

Impact of an evolving regulatory environment on accounting and reporting

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Today's presenters

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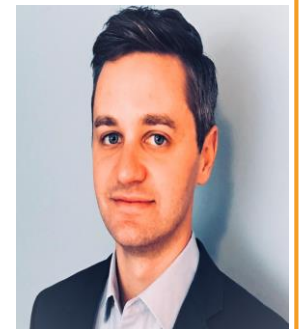
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Adam Lisman

Senior Director, Finance
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Agenda

1 Regulatory change

2 Geopolitical landscape

3 Q&A



1

Regulatory change





Updates from the FASB

Period of significant change in accounting and financial reporting

Revenue from contracts with customers

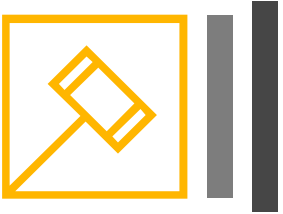
Leasing

Current expected credit losses
("CECL")

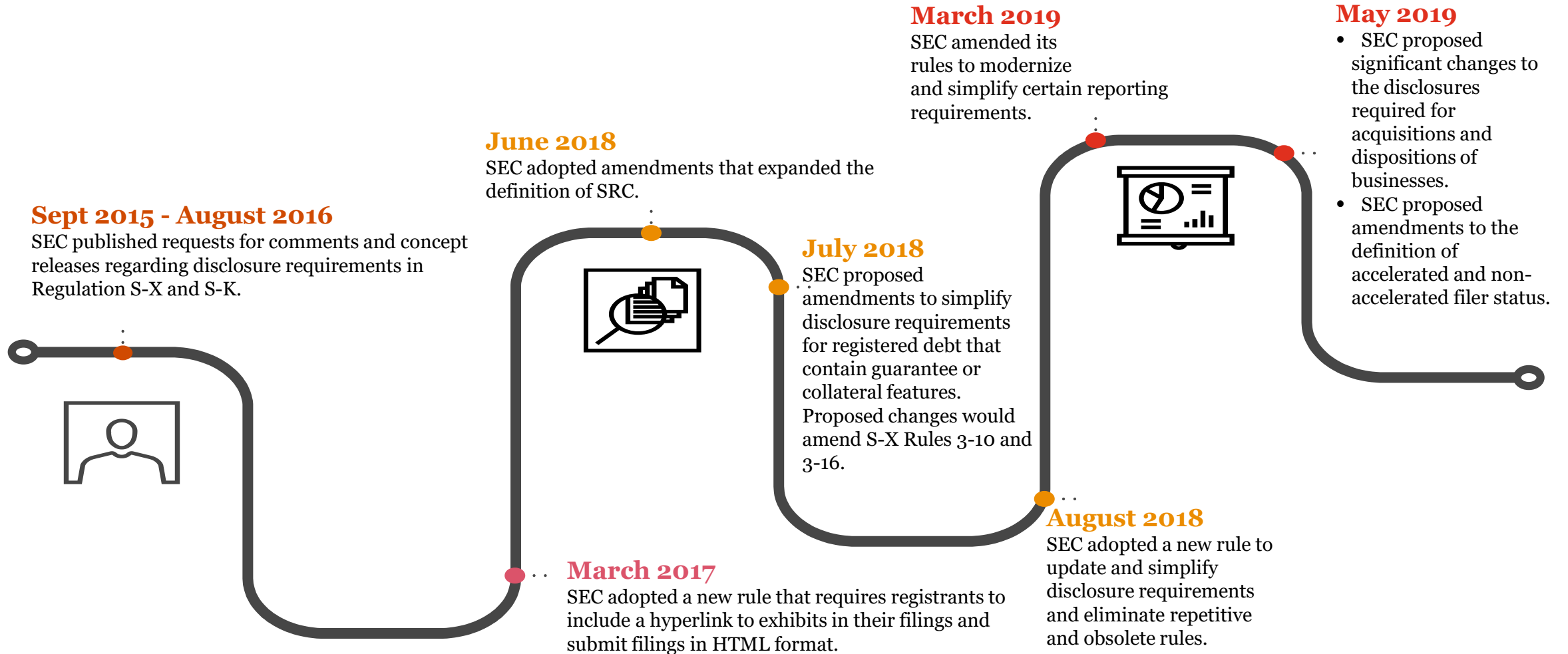
Income tax reform

Goodwill impairment

Hedging



SEC policy changes and rulemaking



Both the S-X and S-K releases intend to identify ways to improve effectiveness of disclosures and the presentation and delivery of material information as well as reduce duplication.



Impact of regulatory change

**Operational
challenges**

**Commercial
impact**

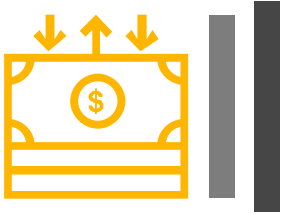
**Financial
statement
impact**

**Investor
communications**

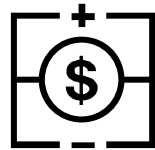
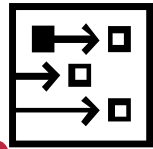
**Analyst
expectations**

**Stakeholder
involvement**





Transition from LIBOR



- Expected discontinuation after 2021
- Current development of ongoing replacement rates

Companies need to consider...

- Existing contracts referencing LIBOR
- New contracts should reference alternative rates or effective “fallback” language
- Other areas of impact (e.g., strategy, products, processes, and information systems)
- Disclosures

Keep an eye on the horizon



**Fair value
measurement
disclosure**

**Cloud
computing**

**Collaborative
arrangements**

**Entertainment
film costs/
intangibles**

**Effective for
calendar
year-end public
business
entities in 2020
or after**

**VIE related
party**

**Defined
benefit plan
disclosure**

**Insurance:
long duration
contracts**

**Not-for-Profit:
updating the
definition of
collections**

2 Geopolitical landscape





Geopolitical landscape





International trade



Ongoing US-China trade disputes



US-Mexico-Canada (USMCA) Agreement



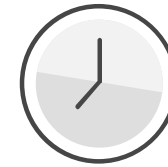
Trade deal with Japan



US-EU trade talks



Brexit uncertainty

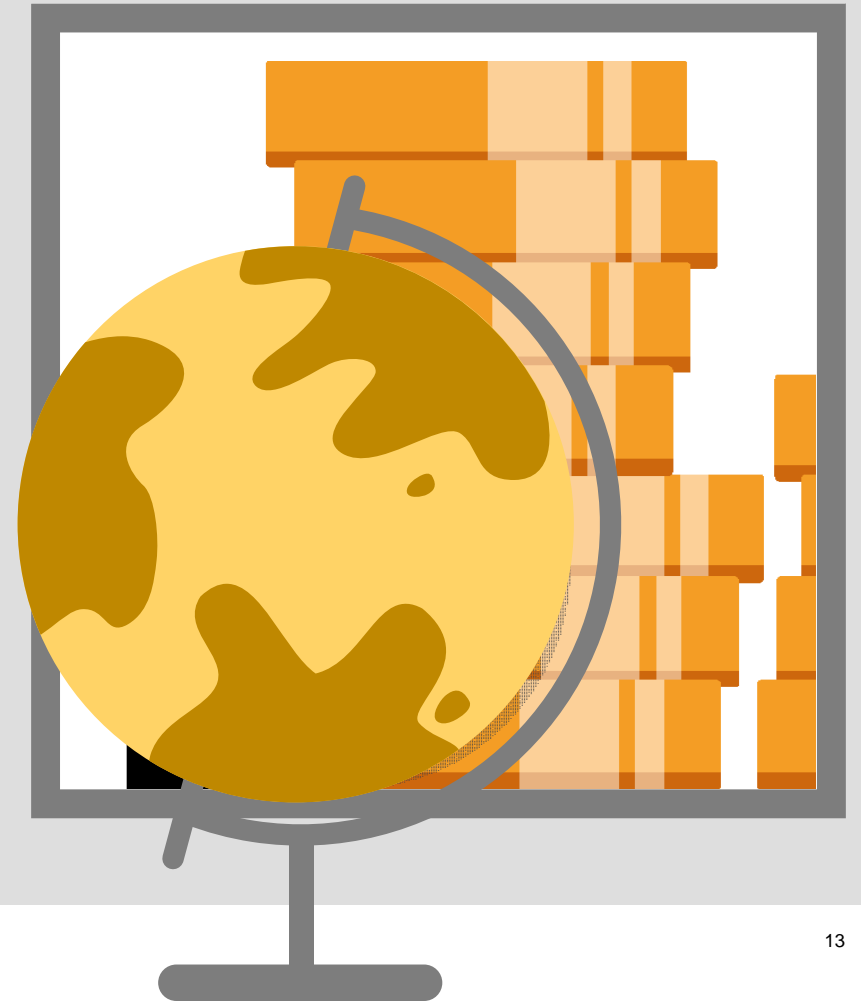




Brexit

Five important implications of a potential Brexit for UK companies and companies with significant UK operations:

- Impairment of long-lived assets
- Impact on financial assets
- Restructuring
- Tax accounting
- Disclosures



3

Q&A



Reference materials





Reference materials



Thought Leadership

CFODirect - PwC insights on accounting standards, financial reporting, and regulatory hot topics: <https://www.pwc.com/us/en/cfodirect.html>

Brexit: <https://www.pwc.com/us/en/cfodirect/multimedia/podcasts/brexit-accounting-considerations.html>

LIBOR: <https://www.pwc.com/us/en/industries/financial-services/regulatory-services/libor-reference-rate-reform.html>

Top Policy Trends: <https://www.pwc.com/us/en/library/risk-regulatory/strategic-policy/top-policy-trends-2019.html>

Strategic Policy Tracker: <https://www.pwc.com/us/en/library/risk-regulatory/strategic-policy/policy-tracker.html>

Thank you for participating



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