



Accounting Change Services

Accounting Advisory Services

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IFRS and Accounting Change Services

When do you need our assistance?

- The IASB and FASB are driving significant changes in both IFRS and US GAAP
- These forthcoming accounting changes in IFRS over a prolonged period of time could impact the way companies conduct business and track, measure and report various transactions and interests
- The volume and significance of the topics currently under deliberation has the potential to result in a period of unprecedented change, and the implementation of these accounting changes throughout an organization may require significant time and resources
- Some of these changes are transformational in nature and may impact the entire organization (systems, processes, controls, record keeping, performance measurement and results, communication)

What KPMG offers

KPMG's Accounting Advisory Services practice is well positioned to help you implement new accounting standards or change to an alternative standard (Swiss GAAP FER). KPMG can provide timely advice on the impacts of accounting changes, assist you in the development of an implementation roadmap and conduct technical training sessions to equip your team with the knowledge to help ensure a smooth transition to the new standards.

Our teams understand that the pace of these changes is swift, the volume is significant, and it can be hard to keep up with all the requirements and potential impacts. KPMG works with you to understand the potential implications of the anticipated accounting changes and the potential business decisions that may be necessary.

Our cross-functional teams can provide insight into the impact on general control environment, systems and processes, and business integration.

Examples of assistance KPMG provides:

- Perform an initial impact assessment, highlighting the differences between local GAAP and IFRS or accounting changes, tailored to your needs
- Assist in the implementation of the accounting differences and the drawing up of financial statements
- Identify likely impacts of key accounting differences on the profit and loss
- Identify and address the impacts of a conversion on the wider business and on systems and processes
- Assess the tax impact on cash tax, and assist with tax planning
- Recalculate internal management information, KPIs and forecasts

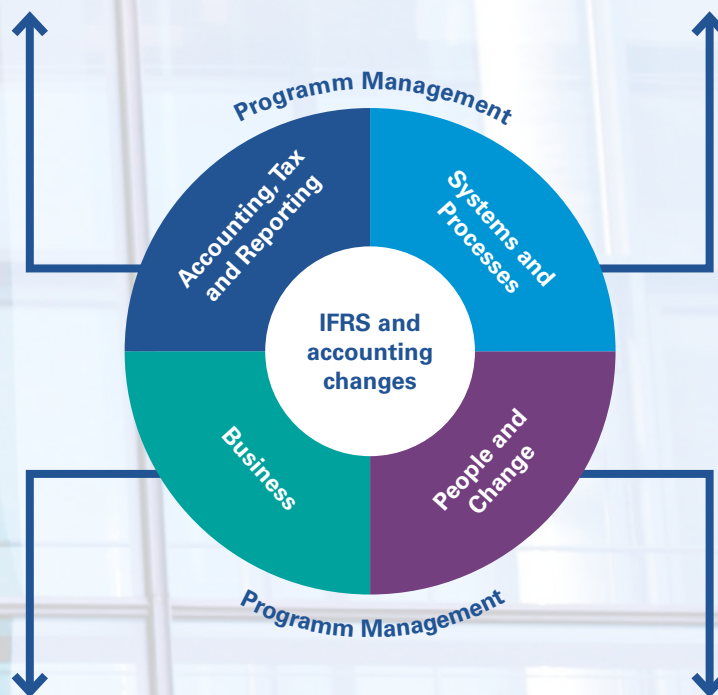
KPMG's cross-functional framework to deal with entity-wide impacts of IFRS or Accounting

Accounting, Tax and Reporting

- Identify differences resulting from changes to accounting standards or framework
- Identify changes to disclosure requirements
- Develop new accounting policies
- Prepare for increased levels of effort due to a greater amount of judgment and estimates
- Evaluate existing chart of accounts and revise as needed
- Identify resources to analyze historical transactions as part of the retrospective adoption
- Design and implement templates for data gathering
- Build technical financial reporting capabilities

Systems and Processes

- Identify information and data "gaps" for implementation
- Evaluate changes needed to internal controls over financial reporting
- Engage the IT team in appropriately modifying data collection processes and create system budgets
- Identify new IT system needs: convert Enterprise Resource Planning ERP and general ledger
- Design and implement process changes can involve departments outside of accounting, tax and reporting



Business

- Develop communication plans and reduce surprises for all stakeholders, such as investors and analysts, creditors, customers and suppliers
- Reassess internal management reporting and business measurement metrics
- Evaluate impact on management compensation metrics
- Assess impact of accounting change on general business issues such as contractual terms, pricing practices, lease vs. buy decisions, debt covenants
- Modify third-party contracts to coincide with new reporting metrics

People & Change

- Develop and execute training plans for employees across functions and locations
- Revise performance evaluation targets and measures and communicate to affected personnel
- Assign project management team with adequate resources, technical skills and cross-functional representation
- Help ensure the project provides realistic timescales and accountabilities
- Create a project team with dynamic work plans and work streams

Why KPMG?

- KPMG's IFRS and Accounting Change Services teams can provide both methodology and experience to effectively assess current accounting policies and to help implement required changes to those policies when required. Organizations can experience a smooth transition that allows for greater productivity
- KPMG teams have delivered and managed complex, global, and large-scale projects, which enables us to anticipate and address company specific impacts. Additionally, KPMG's global network provides the scale and reach to align with your team across multiple locations and provide a balanced approach of centralized and local resources
- KPMG's experienced project managers can help make certain that an appropriate level of project communication is put in place, issues are identified and resolved, deadlines are met, and unnecessary tasks are identified and avoided
- Our suite of tools and methodologies make the transition as efficient and smooth as possible. We have tools to deal with standard and specific changes (e.g. leasing or revenue recognition) or dealing with overall broad impact of changes (e.g. diagnostic or quick scan tools)
- KPMG's Accounting Advisory practice disposes of tools designed to assist with gap assessments between the present GAAP and IFRS, or changes in IFRS. We are also well equipped to advise you regarding conversion design, implementation impact analyses, project tracking, and project status reporting

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