

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

series of austerity measures, including streamlining the Greek pension system and boosting tax revenue, especially from the value-added tax ("VAT"); reforming the labor market

Sep. 29, 2015



In the end, the Germans approved the latest bailout deal for Greece, and the Greeks just re-elected the government that negotiated the deal. But while this new financial

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

In the face of uncertainty, it is important that companies with exposure to Greece consider the financial reporting implications. Even if companies have previously considered potential implications as the situation in Greece deteriorated, they should continue to monitor and evaluate new facts and update assumptions and conclusions as necessary

At PwC, we believe there are four key questions companies should be asking at this juncture:

***Are investments or assets impaired?***

Greek debt, sovereign and commercial, investments in Greek subsidiaries, joint ventures in Greece, or goodwill, PP&E, or inventory may be impaired.

In conducting impairment analyses, companies should utilize information known as of the balance sheet date. If information after the balance sheet date confirms conditions that existed at that date it should be used to adjust the balance sheet amounts. If not, any impairments would be reported in the next period.

***Are receivables collectible?***

Companies with receivables from customers in Greece, including the Greek government, should continue to perform collectability analyses. And, the analysis may need to be updated as information emerges following the bailout.

***Should revenue be recognized?***

Companies should determine whether sales in the country should be recognized as revenue or deferred until collectability of the receivables is reasonably assured, something that might not occur until the associated cash is collected.

***Are additional disclosures needed?***

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

circumstances surrounding the operations, and the expected effect of the austerity measures and ongoing fiscal challenges on business practices and plans.

- Companies may also want to consider updating their critical accounting estimates disclosures in MD&A and their risk factors.

In a situation such as this, even if a company doesn't have direct financial statement impacts, it is important to keep in mind that the evolving situation in Greece may ultimately warrant additional disclosure.

Accounting • Financial Planning • Financial Reporting

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved