

# ***SEC Updates***

**Marc Rosenbaum, Partner, PwC Israel**

**December 2015**



# **SEC leadership**

## **Commissioners**



**Mary Jo White**  
*Chair*



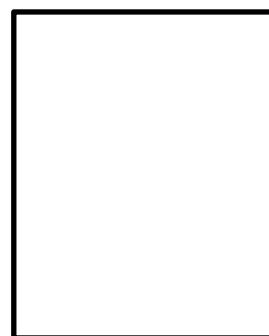
**Luis Aguilar**



**Kara Stein**



**Michael Piwowar**



**Vacant**

## **Foreign Private Issuers – Craig Olinger, Deputy Chief Accountant**

**2012 = 945 foreign registrants**

**2013 = 940 foreign registrants**

**2014 = 912 foreign registrants (~500 IFRS / ~ 400 US GAAP)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Canada</b>	<b>335</b>	<b>318</b>	<b>295</b>
<b>Islands</b>	<b>245</b>	<b>250</b>	<b>243</b>
<b>Europe</b>	<b>110</b>	<b>115</b>	<b>122</b>
<b>Asia/Ocean</b>	<b>85</b>	<b>77</b>	<b>80</b>
<b>Israel</b>	<b>70</b>	<b>77</b>	<b>83</b>
<b>South Am.</b>	<b>55</b>	<b>60</b>	<b>60</b>
<b>Other</b>	<b>45</b>	<b>43</b>	<b>29</b>

## 2015 SEC-AICPA Conference - Key themes

### ***Maintaining High-Quality, Reliable Financial Reporting: A Shared and Weighty Responsibility.***



## ***SEC observations***

### ***Internal control over financial reporting (ICFR)***

- Continues to be a key focus area
- Disclosure required when there are material new or changed controls, including when adopting the new revenue standard
- Material changes should be disclosed in interim periods

### ***Non-GAAP***

- Chair White noted as an area that deserves close attention – companies should ensure compliance with current rules. Chair White suggested SEC may consider whether rules are “sufficiently robust”
- Finance and legal teams, along with audit committees, should consider usefulness, descriptions, and controls over calculations
- Important to describe non-GAAP measures in a way that is not misleading
- SEC may question when pension expense is referred to as “noncash” and adjusted out of operating measures

## ***SEC observations (continued)***

### ***Disclosure effectiveness***

- Initiatives underway at the SEC, e.g., Request for Comment on Regulation S-X relating to certain non-Registrant entities
- Encouraged companies to eliminate redundant, outdated, and immaterial disclosures, but to also consider if additional disclosures may be warranted to meet the needs of investors

### ***Fixing America's Surface Transportation Act (the FAST Act)***

- Provide various accommodations and relief for emerging growth companies
- Directs the SEC to study Regulation S-K further

## ***SEC observations (continued)***

### ***IFRS***

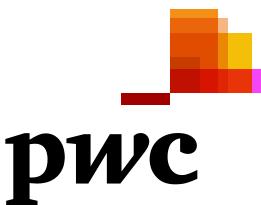
- Proposal being discussed with the Commission to allow domestic issuers to voluntarily submit IFRS financial information, without reconciliation
- Low interest among issuers, but in some cases, investor demand may drive US companies to provide the information.
- SEC Deputy Chief Accountant and IASB Chairman both expressed interest in the US maintaining an active role in the development of IFRS, even as formal convergence projects come to an end

# ***Thank you***

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