

Financial Instruments: Credit Losses (ASC Topic 326) & Current Expected Credit Loss (CECL) Model Self-Study Webinar (10 Hours)

SA11623D
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Self Study Webcast
Dec 20 - Dec 21

Overview:

The FASB's New Standard on Credit Losses changes the accounting rules for impairment of financial instruments by adding a CECL model based on expected losses rather than incurred losses. This self-study webinar will:

- Provide you a detailed explanation of the New Standard and its key provisions
- Help you understand the intricacies and challenges involving implementation
- Show you how to identify existing data gaps, and determine potential changes to internal controls and processes for adopting the New Standard
- Illustrate financial statement disclosure requirements
- Summarize key differences between the FASB's requirements and the three-stage expected credit loss model of IFRS 9, Financial Instruments

Objective:

To update financial professionals on the new accounting rules in ASC Topic 326 for recording and disclosing estimated credit losses and impairment of Available-For-Sale (AFS) debt securities. You'll gain an understanding of the New Standard's goals, learn what changes to implement in preparation of adoption, and discover how to effectively and accurately estimate, measure and report credit losses.

[Detailed Learning Objectives](#) [1]

Emphasis:

- Current guidance on impairment for AFS and Held-To-Maturity (HTM) debt securities
- ASU 2016-01: Recognition and Measurement of Financial Assets and Liabilities, effective January 1, 2018 for public business entities
- SAB 74 disclosure requirements for adoption of new accounting standards
- New financial instruments credit loss standard in ASC Topic 326, including various implementation guidance examples
- IFRS 9: financial instruments and significant differences with US GAAP
- Potential SEC comment letters and auditor concerns

*Represents the duration of the course

*Represents the responsibility of CPE Inc. for the course

*Represents the CPE and CECL program name

*Represents the amount of a company's CPE that is eligible for reporting

*Represents the accounting standard or standard that is being updated by the CPE program



Identify the accounting method for an entity holding a debt security with OTTI based on the entity's intent to hold until maturity of the CTS.

Identify whether or not an OTTI on debt security is other-than-temporary.

Identify the cost of funds methodology used to determine whether all payments will be received in accordance with the contract.

Recognize the required timing implications of timing of entity's management of an investment portfolio.

Recognize the differences between Types 1, 2, and 3 events in the context of impairment testing.

Identify disclosure requirements for OTTI and ETR debt securities given to the effective date of ASC 326-20.

Recognize the accounting changes for debt and equity securities under ASC 326-20.

Identify the accounting treatment of equity investments that do not have readily determinable fair value and do not qualify for the equity method exception in ASC 321.

Identify the accounting treatment of financial liabilities using the fair value option of ASC 326.

Identify the presentation and disclosure requirements of public entities under ASC 326-20.

Recognize the qualitative presentation of the fair value (impairment) model under ASC 326-20.

Recognize the balance sheet and the impact of the CTS impairment model.

Recognize the annual calculation of impairment loss recognition under ASC 326-20.

Recognize the effective date of the new credit loss model.

Identify the implementation considerations of the new credit loss model.

Identify the subsequent measurement implications of the CTS model.

Identify the accounting treatment of purchased credit deteriorated assets under ASC 326-20.

Recognize the implications of collateral on the CTS model.

Identify the reporting requirements of the CTS model.

Identify the applicability of the CTS impairment model to receivables and contract receivables under ASC 326.

Recognize the ASC 326-20 accounting treatment of debt with variable cash flows.

Identify the general implications of ASC 326-20 on disclosures.

BottomPrerequisite:

Basic knowledge of financial instruments and financial accounting and reporting.

Preparation:

No advance preparation required.

Level of Knowledge:

Intermediate.



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Links:

[1] [https://www.cpeonline.com/JavaScript:showObjectivesPopup\(\);](https://www.cpeonline.com/JavaScript:showObjectivesPopup();)