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SEC relief to registrants, new U.S. tax law

The U.S. Securities and Exchange Commission (SEC) today issued a statement after the president signed the new tax law. The SEC noted that the new tax law enacts "significant changes to U.S. tax and related laws." The SEC and its staff determined to provide guidance to market participants.

The **SEC release** notes that Commission staff in the Office of the Chief Accountant and the Division of Corporation Finance today issued SAB 118 to provide "important guidance to issuers, auditors, and others, as issuers seek to reflect the impacts" of the new tax law on their financial statements (e.g., on deferred tax assets).
The staff guidance reflects the approach taken in prior situations when legislative changes could significantly affect financial reporting; and provides a “measurement period” for issuers to evaluate the impacts of the new tax law on the their financial statements. The guidance also sets forth staff expectations for disclosure to investors during the measurement period.
Other new guidance (C&DI 110.02) similarly addresses how issuers are to comply with obligations under Item 2.06 of Form 8-K as they consider the implications of the new tax law on their financial reporting.

Read a **December 2017** [PDF 132 KB] report prepared by KPMG LLP: *Defining Issues: Tax reform enacted in 2017; SEC staff provides relief to registrants* partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

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