

**Interpretation of the Emerging Accounting Issues Working Group****INT 04-05: Clarification of SSAP No. 5R Guidance on when a Judgment is Deemed Rendered****ISSUE NULLIFIED BY SSAP NO. 5R****INT 04-05 Dates Discussed**

June 13, 2004; September 12, 2004

**INT 04-05 References**

*SSAP No. 5R—Liabilities, Contingencies and Impairments of Assets* (SSAP No. 5R)

**INT 04-05 Issue**

1. Is a judgment considered “rendered” when the judgment is entered by the court or after all motions have been decided upon and/or all appeals proceedings are concluded? Current statutory accounting guidance for contingent liabilities states in SSAP No. 5R, paragraph 9: “...in instances where a judgment, assessment or fine has been rendered against a reporting entity, there is a presumption that the criteria in paragraph 7.a. and 7.b. have been met.”

2. The intent of the word “rendered” in this sentence is not entirely clear due to the possible existence of outstanding motions when a judgment is entered by the court and existence of the appeals process exists.

3. The views related to the intent of the word “rendered are:

View A: When a court, notwithstanding the outstanding motions or the possibility of an appeal, enters a verdict, judgment is considered “rendered”.

View B: Final judgment will be considered “rendered” when the verdict is entered and all motions are concluded. This is because the court that tried the case will not be finished with the matter until the judge decides upon all outstanding motions.

**INT 04-05 Discussion**

4. The working group reached a consensus that View A is the appropriate interpretation to determine when a judgment is rendered. Noting that under SSAP No. 5R, paragraph 9, a judgment is considered “rendered” when a court enters a verdict, notwithstanding the entity’s ability to file post trial motions and to appeal.

**INT 04-05 Status**

5. No further discussion is planned.