

Accounting for Uncertainty in the Age of Tariffs, by Gerald Trites

BDO released a Bulletin in April addressing the issues around accounting in times of uncertainty caused by the effects of volatile tariffs.

This uncertainty results in numerous accounting implications such as impairment of financial and non-financial assets; going concern; significant judgements, estimates and estimation uncertainty and others. Numerous examples are provided.

The paper points out that if an entity is directly affected by tariffs because, for example, of being involved with a significant amount of imports and the consequent effects on supply chain costs then additional impairment tests should be conducted. Also the point is made that even if an entity is not directly affected, tariffs may have a significant impact on the economic environment which can have negative effects on the entity which may merit consideration.

A number of other important issues are discussed, including the effects of dates of tariff changes, assumptions that may be needed about those changes enduring and the future of any other changes (a tough one). For excellent guidance on these and other tariff accounting issues, download the document at this link:

[https://www.bdo.global/getmedia/dfd21c52-e060-43cc-ad84-393e3568422b/IFRB_2025_03_\(final\).pdf?ext=.pdf](https://www.bdo.global/getmedia/dfd21c52-e060-43cc-ad84-393e3568422b/IFRB_2025_03_(final).pdf?ext=.pdf)