# Accounting Roundup

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## In This Issue



Welcome to the quarterly edition of *Accounting Roundup*. In the third quarter of 2015, the FASB made further progress on resolving issues related to its new revenue standard (ASU 2014-09) by releasing (1) an ASU that defers the standard's effective date by one year for all entities and permits early adoption on a limited basis and (2) two proposed ASUs to clarify and improve its guidance. The FASB also issued:

- Two ASUs as part of its simplification initiative (on inventory and measurement-period adjustments).
- Two ASUs (on employee benefit plans and the NPNS exception) and two proposed ASUs (on derivative-related topics) in response to final consensuses and consensuses-for-exposure, respectively, reached by the EITF.
- An ASU clarifying the SEC staff's position on the presentation of debt issuance costs.
- A proposed ASU that would amend the *FASB Accounting Standards Codification* to indicate that the omission of disclosures about immaterial information is not an accounting error.

On the international front, there were also a number of developments related to the IASB's own revenue standard, IFRS 15 (issued jointly with the FASB's ASU 2014-09). Like the FASB, the IASB amended its revenue standard to defer its effective date by one year and issued a proposal that would clarify certain aspects of the standard, including identifying performance obligations, principal-versus-agent considerations, licensing, and transition. Further, the FASB's and IASB's joint revenue transition resource group (TRG) held a meeting to discuss nine topics, two of which (portfolio practical expedient and application of variable consideration constraint, completed contracts at transition) are expected to be further considered at a future meeting.

The IASB also decided to propose a deferral of the effective date of IFRS 9 (on financial instruments) for entities that primarily issue insurance contracts. Specifically, the IASB decided to propose amendments to IFRS 4 to give insurance entities the option of deferring — from 2018 to 2021 — IFRS 9's effective date.

In other news, the U.S. Court of Appeals for the District of Columbia Circuit (the "Appellate Court") upheld its April 2014 ruling that parts of the SEC's conflict minerals rule and of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act violate the First Amendment to the extent that they require issuers to disclose that their products have "not been found to be 'DRC conflict free.'" The Appellate Court had agreed to review its April 2014 ruling in light of a separate case involving country-of-origin labeling of meat products.

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Note that in this quarterly edition, an asterisk in the article title denotes events that occurred in September or that were not addressed in the July or August issue of *Accounting Roundup*, including updates to previously reported topics. Events without asterisks were covered in those monthly issues.

Be sure to monitor upcoming issues of *Accounting Roundup* for new developments. We value your feedback and would appreciate any comments you may have on *Accounting Roundup: Third Quarter in Review — 2015*. Take a moment to tell us what you think by sending us an e-mail at accountingstandards@deloitte.com.

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- Thursday, October 22: Merger, Acquisition, and Divestiture Strategies: Leading Practices for Carving Out Data.
- Thursday, October 29: Gift-Giving and Corruption Risk: Stress-Testing Your Compliance Program for the Holidays.
- Friday, November 13: SEC Hot Topics: Year-End Update.
- Monday, November 16: Crisis Management vs. Reality: Are You as Prepared as You Think?
- Tuesday, November 17: EITF Roundup: Highlights From the November Meeting.
- Wednesday, November 18, 3:00 p.m. (EST): M&A Finance: More Than Finance Function Integration or Separation.
- Thursday, November 19: Leaders and Laggards: Creating Shareholder Value Through Customer Experience Measurement and Brand Protection Risk Management.
- Monday, December 7: Onshore, Offshore, or Nearshore: Where Will Shared Services Go Next?
- Wednesday, December 9: 2016 Economic Outlook and M&A Environment Forecast: A Global Economy in Flux.
- Thursday, December 10: Boardroom Agenda 2016: Hot Topics and the Future Landscape.
- Tuesday, December 15: Quarterly Accounting Roundup: An Update on Important Developments.
- Wednesday, December 16, 3:00 p.m. (EST): Front-Office Finance: How CFOs and Finance Can Create Value in Commercial Functions.

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## Deloitte Publications

| Publication | Title | Affects |
|---|---|---|
| October 2, 2015, *Heads Up* | *FASB Issues Proposed Revenue ASU to Make Narrow-Scope Amendments and Provide Practical Expedients* | All entities. |
| September 30, 2015, *Heads Up* | *FASB Simplifies the Accounting for Measurement-Period Adjustments* | All entities. |
| September 2015 *EITF Snapshot* | | All entities. |
| September 28, 2015, *Financial Reporting Alert* | *Employers' Accounting for Defined Benefit Plans — Alternatives for Applying Discount Rates to Measure Benefit Cost* | All entities. |

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| September 28, 2015, *Heads Up* | *FASB's Proposed ASU States That Omissions of Immaterial Disclosures Are Not Accounting Errors* | All entities. |
| September 10, 2015, *Heads Up* | *SEC Issues Final Rule on Pay Ratio Disclosure* | SEC registrants. |
| September 1, 2015, *Heads Up* | *FASB Proposes Amendments to New Revenue Standard's Guidance on Principal-Versus-Agent Considerations* | All entities. |
| August 25, 2015, *Heads Up* | *Anticipating the Independent Private Sector Audit After the Year 2 Conflict Minerals Reporting Cycle* | SEC registrants. |
| August 14, 2015, *Heads Up* | *FASB Issues ASU on Employee Benefit Plan Accounting* | All entities. |
| August 5, 2015, *Heads Up* | *SEC Proposes Rule on "Clawback" Policies* | SEC registrants. |
| July 24, 2015, *Heads Up* | *FASB Issues ASU on Simplifying the Measurement of Inventory* | All entities. |
| July 20, 2015 (updated September 28, 2015), *Financial Reporting Alert* | *Financial Reporting Implications Related to Regions Experiencing Economic Struggles* | All entities. |
| July 15, 2015, *Heads Up* | *SEC and PCAOB Take Steps Toward Enhancing Audit Committee and Auditor Disclosures* | Auditors. |
| July 10, 2015, *Heads Up* | *FASB Confirms Decision to Defer Effective Date of New Revenue Standard by One Year* | All entities. |
| July 2015 *TRG Snapshot* | *Joint Meeting on Revenue: July 2015* | All entities. |
| July 2015 *Oil & Gas Spotlight* | *Opening Its Borders for Competition: Roadmap to Mexican Energy Reform* | Oil and gas entities. |

## Leadership Changes

**CAQ:** On July 9, 2015, the CAQ announced that it has appointed Mary L. Schapiro, a previous chairman of the SEC, to the CAQ's governing board.

**CFA Institute:** On August 18, 2015, the CFA Institute announced that it has appointed Beth Hamilton-Keen as chairman of its board of governors to replace Aaron Low. Ms. Keen's appointment began on September 1.

**EITF:** On September 16, 2015, the FASB announced that Robert B. Malhotra and Paul A. Beswick have been appointed to the EITF for five-year, renewable terms beginning on September 17, 2015, and November 12, 2015, respectively.

**FASAB:** On July 21, 2015, the FASAB announced that it has appointed Scott Showalter as chairman. Mr. Showalter's term will begin on January 1, 2016, and end on June 30, 2019. In addition, on July 22, 2015, the FASAB announced that it has appointed Gila Bronner and George Scott as members for five-year terms that begin on January 1, 2016.

**IIRC:** On September 29, 2015, the IIRC announced that it has appointed a new board of directors comprising 12 members. The appointments became effective on October 1, 2015.

**IPSASB:** On September 14, 2015, the IPSASB announced that it has appointed Ian Carruthers as chairman for a three-year term that begins on January 1, 2016.

**PCAOB:** On July 2, 2015, the SEC announced that Lewis H. Ferguson has been reappointed to the PCAOB for a second term that ends in October 2019.

**PCC:** On August 18, 2015, the FAF announced that it has appointed Candace E. Wright as chairman of the PCC to replace Billy M. Atkinson, whose term ends on December 31, 2015. In addition, the FAF announced the appointment of three new members to the council as well as the reappointment of six members.

**SEC:** On September 4, 2015, Daniel M. Gallagher announced his resignation as SEC commissioner; the resignation took effect on October 2, 2015. In addition, on August 19, 2015, the SEC announced that it has appointed Shelly Luisi as associate director in the Commission's Division of Corporation Finance. Further, on July 17, 2015, the SEC announced that it has appointed Michele Anderson as associate director in the Division.

# Accounting — New Standards and Exposure Drafts



## Debt Issuance Costs

### FASB Issues ASU Clarifying SEC's Position on Presentation of Debt Issuance Costs

**Affects:** All entities.

**Summary:** On August 16, 2015, the FASB issued ASU 2015-15 to clarify the SEC staff's position on presenting and measuring debt issuance costs incurred in connection with line-of-credit arrangements given the lack of guidance on this topic in ASU 2015-03. The SEC staff has announced that it would "not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement."

> **Editor's Note:** Under ASU 2015-03, an entity presents debt issuance costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. However, ASU 2015-03 does not address the balance sheet presentation of debt issuance costs that are either (1) incurred before a debt liability is recognized (e.g., before the debt proceeds are received) or (2) associated with revolving-debt arrangements. Given implementation questions associated with application of the ASU's presentation approach to revolving-debt arrangements, as well as questions about the acceptability of such application, we expect that many, if not most, entities will elect to apply the accounting policy outlined by the SEC staff in ASU 2015-15 to such arrangements.

**Other Resources:** For more information about the FASB's guidance in ASU 2015-03 on simplifying the presentation of debt issuance costs as well as on the SEC staff's views on this topic, see Deloitte's June 18, 2015, *Heads Up*.

## Disclosure Effectiveness

### FASB Issues Proposed ASU Indicating That Disclosures of Immaterial Information Are Not Accounting Errors*

**Affects:** All entities.

**Summary:** On September 24, 2015, the FASB issued a proposed ASU that would amend the *FASB Accounting Standards Codification* to indicate that the omission of disclosures about immaterial information is not an accounting error. The proposal, which is part of the FASB's disclosure effectiveness initiative, notes that materiality is a legal concept that should be applied to assess "quantitative and qualitative disclosures individually and in the aggregate in the context of the financial statements taken as a whole."

> **Editor's Note:** The proposed clarification would only apply to disclosures in the notes. Omissions of immaterial information related to other GAAP requirements, such as recognition and measurement, would still be considered accounting errors.

To maintain consistency with the proposed ASU (and current practice), the FASB is also issuing an ED containing amendments to a proposed concepts statement that would remove the current definition of materiality from Concepts Statement 8. The proposed amendments would replace the original discussion of materiality in Concepts Statement 8 with the U.S. Supreme Court's definition.

**Next Steps:** Comments on both the proposed ASU and the proposed amendments are due by December 8, 2015.

**Other Resources:** For more information, see Deloitte's September 28, 2015, *Heads Up* as well as the press release on the FASB's Web site.

## EITF-Related Activity

### FASB Issues ASU on Applying the NPNS Scope Exception to Certain Electricity Contracts Within Nodal Energy Markets

**Affects:** Entities with electricity contracts that meet certain criteria.

**Summary:** On August 10, 2015, the FASB issued ASU 2015-13 in response to an EITF final consensus. The ASU amends ASC 815 to clarify the application of the normal purchases and normal sales (NPNS) scope exception to purchases or sales of electricity on a forward basis that are transmitted through, or delivered to a location within, a nodal energy market. For a derivative contract to be classified as NPNS, the contract cannot settle net and must result in physical delivery. Under ASU 2015-13, a forward contract to purchase or sell — at a specified location — electricity that must be transmitted through or delivered to a grid operated by an independent system operator may qualify for the NPNS scope exception.

**Next Steps:** ASU 2015-13 is effective upon issuance and must be applied prospectively.

**Other Resources:** Deloitte's June 2015 *EITF Snapshot*.

### FASB Issues Two Proposed ASUs in Response to EITF Consensuses-for-Exposure

**Affects:** All entities.

**Summary:** On August 6, 2015, the FASB released the following two proposed ASUs in response to consensuses-for-exposure reached on two EITF Issues:

- *Contingent Put and Call Options in Debt Instruments* — Clarifies "what steps are required when assessing whether the economic characteristics and risks of call (put) options are clearly and closely related to the economic characteristics and risks of their debt hosts, which is one of the criteria for bifurcating an embedded derivative." The proposal further states that "when a call (put) option is contingently exercisable, an entity would not have to assess whether the event that triggers the ability to exercise a call (put) option is related to interest rates or credit risks."
- *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships* — Explains that "a change in the counterparty to a derivative instrument that has been designated as the hedging instrument under Topic 815 does not, in and of itself, require dedesignation of that hedge accounting relationship provided that all other hedge accounting criteria (including those in paragraphs 815-20-35-14 through 35-18) continue to be met."

**Next Steps:** Comments on both proposed ASUs are due by October 5, 2015.

**Other Resources:** Deloitte's June 2015 *EITF Snapshot*.

## Employee Benefit Plans

### FASB Issues ASU on Employee Benefit Plans

**Affects:** Employee benefit plans.

**Summary:** On July 31, 2015, the FASB issued ASU 2015-12, a three-part standard that provides guidance on certain aspects of the accounting by employee benefit plans. The ASU, which is being released in response to consensuses reached at the EITF's June 18, 2015, meeting, (1) requires a pension plan to use contract value as the only measure for fully benefit-responsive investment contracts, (2) simplifies and increases the effectiveness of the investment disclosure requirements for employee benefit plans, and (3) provides benefit plans with a measurement-date practical expedient similar to the practical expedient provided to employers in ASU 2015-04.

**Next Steps:** The amendments in all three parts of this ASU are effective for fiscal years beginning after December 15, 2015; early adoption is permitted. An entity should apply the amendments in parts I and II retrospectively to all financial statements presented, while the amendments in part III should be applied prospectively.

**Other Resources:** Deloitte's June 2015 *EITF Snapshot*.

## Private Companies

### FASB Proposes Amendments to Effective Date and Transition Guidance in Certain Private-Company ASUs*

**Affects:** Private companies within the scope of the proposed amendments.

**Summary:** On September 30, 2015, the FASB, in coordination with the PCC, issued a proposed ASU in response to concerns raised about the effective date and transition guidance in certain ASUs that apply to private companies. Specifically, the proposal would:

- Remove the effective dates from ASUs 2014-02 (on accounting for goodwill), 2014-03 (on simplifying hedge accounting), 2014-07 (on applying VIE guidance to certain arrangements), and 2014-18 (on accounting for identifiable intangible assets in a business combination). Thus, these ASUs would become effective immediately.
- Contain transition provisions under which "private companies would be able to forgo a preferability assessment the first time they elect the accounting alternatives within [the proposal's scope]."
- Extend the transition guidance in ASUs 2014-02, 2014-03, 2014-07, and 2014-18 indefinitely.

**Next Steps:** Comments on the proposed ASU are due by November 16, 2015.

## Revenue Recognition

### FASB Proposes Narrow-Scope Amendments and Practical Expedients for New Revenue Standard*

**Affects:** All entities.

**Summary:** On September 30, 2015, the FASB issued a proposed ASU that would amend certain aspects of the Board's May 2014 revenue standard, ASU 2014-09. The amendments, which are being proposed in response to feedback received by the FASB-IASB joint revenue recognition TRG, include the following:

- *Collectibility and contract termination* — The term "contract termination" would be clarified with respect to determining when an entity would recognize as revenue consideration it receives if the entity concludes that collectibility is not probable.

- *Presentation of sales tax collected from customers* — A practical expedient would be added to allow entities to present revenue net of sales taxes collected on behalf of governmental authorities (i.e., to exclude sales taxes that meet certain criteria from the transaction price).
- *Noncash consideration* — In determining the transaction price for contracts containing noncash consideration, an entity would include the fair value of the noncash consideration to be received as of the contract inception date. Further, subsequent changes in the fair value of noncash consideration after contract inception would be subject to the variable consideration constraint only if the fair value varies for reasons other than its form.
- *Contract modifications and completed contracts at transition* — The proposal would add a practical expedient for contract modifications at transition and would define completed contracts as those for which all (or substantially all) revenue was recognized under the applicable revenue guidance before the new revenue standard was initially applied.
- *Transition technical correction* — Entities that elect to use the full retrospective transition method to adopt the new revenue standard would no longer be required to disclose the effect of the change in accounting principle on the period of adoption (as is currently required by ASC 250-10-50-1(b)(2)3); however, entities would still be required to disclose the effects on preadoption periods that were retrospectively adjusted.

**Editor's Note:** Although they are "not identical to those proposed by the IASB, and some are incremental," the FASB "expects that the [proposed amendments] would not result in financial reporting outcomes that are significantly different from those reported under IFRS for similar transactions."

**Next Steps:** Comments on the proposed ASU are due by November 16, 2015.

**Other Resources:** For more information, see Deloitte's October 2, 2015, *Heads Up* as well as the press release on the FASB's Web site.

## FASB Issues Proposed ASU to Clarify Principal-Versus-Agent Considerations in New Revenue Standard

**Affects:** All entities.

**Summary:** On August 31, 2015, the FASB issued a proposed ASU that would amend the Board's May 2014 revenue standard, ASU 2014-09, to address how an entity should assess whether it is the principal or the agent in contracts that include three or more parties. The proposed ASU would clarify that an entity should evaluate whether it is the principal or the agent for each specified good or service (i.e., each good or service or bundle of distinct goods or services that is distinct) promised in a contract with a customer. In addition, the proposal would add guidance to help entities determine the nature of promises in a contract. Specifically, the proposed guidance would require an entity to (1) identify the specified goods or services (or bundles of goods or services), including rights to goods or services from a third party, and (2) determine whether it controls each specified good or service before each good or service (or right to a third-party good or service) is transferred to the customer.

**Editor's Note:** The proposed amendments do not change the core principle of the principal-versus-agent considerations.

The proposed ASU would also clarify the types of goods or services that a principal may control. Further, the proposed ASU would reframe the indicators in the new revenue standard to illustrate when an entity may be acting as a principal instead of when an entity acts as an agent. The proposed ASU would not give any indicator more weight than others in the assessment of whether the entity is the principal or the agent. However, it states that the control indicators may be more or less relevant to the assessment of control depending on the nature of the specified good or service in a particular contract.

In addition to clarifying the new revenue standard's guidance on principal-versus-agent considerations, the proposed ASU would amend certain illustrative examples in the standard (and add new ones) to clarify how an entity would assess whether it is the principal or the agent in a revenue transaction.

> **Editor's Note:** In July 2015, the IASB issued an ED on principal-versus-agent considerations under IFRS 15, the IASB's counterpart to the FASB's new revenue standard. The proposed amendments in the IASB's ED that are related to principal-agent considerations, including the illustrative examples, are identical to those in the proposed ASU. Comments on the IASB's ED are due by October 28, 2015.

**Next Steps:** Comments on the proposed ASU are due by October 15, 2015.

**Other Resources:** For more information, see Deloitte's September 1, 2015, *Heads Up* as well as the press release on the FASB's Web site.

## FASB Issues ASU to Defer the Effective Date of the New Revenue Standard

**Affects:** All entities.

**Summary:** On August 12, 2015, the FASB issued ASU 2015-14, which defers the effective date of the Board's revenue standard, ASU 2014-09, by one year for all entities and permits early adoption on a limited basis. Specifically:

- For public business entities, the standard is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early adoption is permitted as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within those annual periods.
- For nonpublic entities, the standard is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Nonpublic entities can also elect to early adopt the standard as of the following:
  - Annual reporting periods beginning after December 15, 2016, including interim periods.
  - Annual reporting periods beginning after December 15, 2016, and interim periods within annual reporting periods beginning one year after the annual reporting period in which the new standard is initially applied.

> **Editor's Note:** On September 11, 2015, the IASB issued amendments that defer by one year the effective date of its revenue standard, IFRS 15, to January 1, 2018.

**Other Resources:** For more information, see the press release on the FASB's Web site. Also see Deloitte's July 10, 2015, *Heads Up* for details on the FASB's deliberations related to the deferral of ASU 2014-09.

## Simplification Initiative

### FASB Issues ASU Simplifying Measurement-Period Adjustments*

**Affects:** All entities.

**Summary:** On September 25, 2015, the FASB issued ASU 2015-16 to simplify the accounting for measurement-period adjustments. The ASU, which is part of the FASB's simplification initiative (i.e., the Board's effort to reduce the cost and complexity of certain aspects of U.S. GAAP), was issued in response to stakeholder feedback that restatements of prior periods to reflect adjustments made to provisional amounts recognized in a business combination increase the cost and complexity of financial reporting but do not significantly improve the usefulness of the information.

> **Editor's Note:** Previously, the accounting for measurement-period adjustments under U.S. GAAP was aligned with that under IFRSs. However, because of differences in reporting requirements (i.e., quarterly reporting requirements for U.S. publicly traded entities as opposed to semiannual reporting in certain other jurisdictions), the need to revise previously issued financial statements to retrospectively account for adjustments to provisional amounts during the measurement period is most likely not as prevalent under IFRSs.

Under the ASU, an acquirer must recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The ASU also requires acquirers to present separately on the face of the income statement, or disclose in the notes, the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date.

**Next Steps:** For public business entities, the ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The ASU must be applied prospectively to adjustments to provisional amounts that occur after the effective date. Early adoption is permitted for financial statements that have not been issued.

### FASB Issues ASU on Simplifying the Measurement of Inventory

**Affects:** All entities.

**Summary:** On July 22, 2015, the FASB issued ASU 2015-11, which requires entities to measure most inventory "at the lower of cost and net realizable value," thereby simplifying the current guidance under which an entity must measure inventory at the lower of cost or market (market in this context is defined as one of three different measures, one of which is net realizable value). The ASU does not apply to inventories that are measured by using either the last-in, first-out method or the retail inventory method.

> **Editor's Note:** In addition to reducing complexity, the proposal would make U.S. GAAP more comparable to IFRSs, under which inventory must be measured at the lower of cost or net realizable value.

**Next Steps:** For public business entities, the ASU is effective prospectively for annual periods beginning after December 15, 2016, and interim periods therein. For all other entities, the ASU is effective prospectively for annual periods beginning after December 15, 2016, and interim periods thereafter. Early adoption is permitted.

**Other Resources:** Deloitte's July 24, 2015, *Heads Up*.

## International

### IASB Defers Effective Date of IFRS 15*

**Affects:** Entities reporting under IFRSs.

**Summary:** On September 11, 2015, the IASB issued amendments that defer by one year the effective date of its revenue standard, IFRS 15.

The new effective date coincides with the effective date of the proposed amendments in the IASB's July 2015 ED (i.e., annual periods beginning on or after January 1, 2018). Early adoption of IFRS 15 continues to be permitted, and entities still have the option of applying the standard retrospectively either to each prior reporting period presented or with the cumulative effect of initial application recognized as of the adoption date.

The FASB also deferred the effective date of its counterpart revenue standard, ASU 2014-09, by issuing ASU 2015-14 in August 2015.

**Other Resources:** For more information, see the press release on the IASB's Web site.

### IASB Proposes to Defer Effective Date of Amendments to IFRS 10 and IAS 28

**Affects:** Entities reporting under IFRSs.

**Summary:** On August 10, 2015, the IASB issued an ED that would defer the effective date of its September 2014 amendments to the guidance in IFRS 10 and IAS 28 on accounting for "transactions between investors and associates or joint ventures." The amendments would be deferred indefinitely until the conclusion of the IASB's research project on the equity method. Early adoption would continue to be permitted.

**Next Steps:** Comments on the ED are due by October 9, 2015.

**Other Resources:** For more information, see the August 11, 2015, *IFRS in Focus* on Deloitte's IAS Plus Web site as well as the press release on the IASB's Web site.

### IASB Proposes Clarifications to IFRS 15

**Affects:** Entities reporting under IFRSs.

**Summary:** On July 30, 2015, the IASB issued an ED that would make targeted amendments to its May 2014 revenue standard, IFRS 15, on the basis of issues identified by the FASB and IASB joint TRG. Specific amendments include the following:

- *Identifying performance obligations* — IFRS 15 requires an entity to identify performance obligations on the basis of distinct promised goods or services. To clarify the concept of "distinct," the IASB is proposing amendments to the illustrative examples in IFRS 15.

- *Principal-versus-agent considerations* — Under IFRS 15, when another party is involved in providing goods or services to a customer, an entity must determine whether it is the principal in the transaction or the agent on the basis of whether it controls the goods or services before they are transferred to the customer. To clarify how to assess control, the IASB is proposing to amend and extend the application guidance on this issue, to amend some of the existing examples, and to add two examples.
- *Licensing* — When an entity grants a license to a customer that is distinct from other promised goods or services, the entity must determine whether the license is transferred at a point in time or over time on the basis of whether the contract requires the entity to undertake activities that significantly affect the intellectual property to which the customer has rights. To clarify when an entity's activities significantly affect the intellectual property, the IASB is proposing to amend and extend the application guidance, as well as some examples, related to this issue. In addition, the IASB is proposing to extend the guidance on applying the royalty constraint.
- *Transition relief* — The IASB is proposing the addition of two transition-related practical expedients to IFRS 15:
    - An entity may use hindsight in (1) identifying the satisfied and unsatisfied performance obligations in a contract that has been modified before the beginning of the earliest period presented and (2) determining the transaction price.
    - An entity electing to use the full retrospective method does not have to apply IFRS 15 retrospectively to completed contracts at the beginning of the earliest period presented.

**Next Steps:** Comments on the ED are due by October 28, 2015. The IASB expects to complete its redeliberations by the end of 2015. The ED does not include a proposed effective date, but the IASB's objective is to finalize the proposed amendments in sufficient time to set an effective date that aligns with the revised effective date of IFRS 15.

**Other Resources:** For more information, see the press release on the IASB's Web site as well as the project page on Deloitte's IAS Plus Web site.

# Accounting — Other Key Developments

## In This Section



## Convergence

### SEC Chief Accountant Speaks on Convergence*

**Affects:** All entities.

**Summary:** In a September 17, 2015, speech at the AICPA National Conference on Banks and Savings Institutions in Washington, D.C., SEC Chief Accountant James Schnurr discussed convergence and said that he was "optimistic that [he would] be able to provide more clarity on the path forward in the next few months."

Mr. Schnurr began his speech by discussing the FASB's and IASB's converged revenue recognition standard and their similar but not converged credit impairment requirements. In both cases, he stressed the benefits of cooperation and of learning from each other and from the implementation of the new standards. Mr. Schnurr then turned to the topic of IFRSs and convergence itself. He reiterated his assessment of the situation and reminded the audience of the findings he had presented at a financial reporting conference at Baruch College in New York City in May of this year. He also stated that he was still discussing the "fourth option" (allow, but not require, domestic issuers to provide supplementary IFRS-based information), which he had first introduced in December 2014, with the SEC commissioners. For the time being, however, Mr. Schnurr believes that continued collaboration is the only realistic path toward furthering the objective of a single set of high-quality, global accounting standards.

## Defined Benefit Plans

### SEC Staff Discusses Alternatives for Applying Discount Rates to Measure Benefit Cost for Defined Benefit Plans*

**Affects:** All entities.

**Summary:** The SEC staff recently met with representatives of the Big Four accounting firms and expressed its views on applying an alternative approach for using discount rates to measure the components of net periodic benefit cost for a defined benefit retirement plan obligation (e.g., a pension or other postretirement obligation) under ASC 715. Specifically, the alternative approach focuses on measuring the service cost and interest cost components of net periodic benefit cost by using individual spot rates derived from an acceptable high-quality corporate bond yield curve and matched with separate cash flows for each future year. The SEC staff responded to inquiries from the Big Four firms by stating that it would not object to registrants' use of such an approach instead of the single weighted-average discount rate approach that is usually employed. The change in approach would not alter the measurement of the related benefit obligation as of the reporting date. The SEC staff also stated that it would not object if a registrant treats the change in approach as a change in accounting estimate.

**Other Resources:** Deloitte's September 28, 2015, *Financial Reporting Alert*.

## EITF

### EITF Discusses Two Issues at September Meeting*

**Affects:** All entities.

**Summary:** At its September 17, 2015, meeting, the EITF discussed the following Issues:

- *Issue 15-B, "Recognition of Breakage for Prepaid Stored-Value Cards"* — The Task Force discussed stakeholder feedback on the FASB's proposed ASU on this topic and agreed to amend the scope to eliminate the condition that the card contain an expiration date and to allow the card issuer to provide the goods or services to the card holder. The Task Force directed the FASB staff to develop a principle that would enable an entity to determine to which financial liabilities it could apply the proposed breakage guidance. Further, the Task Force reaffirmed its consensus-for-exposure to amend ASC 405-20 to indicate that if an entity has a financial liability within the scope of the proposed amendments, the entity would apply the breakage guidance in ASC 606. In addition, the EITF decided that an entity would be required to provide breakage disclosures that are consistent with the breakage disclosures required by ASC 606 and that it would provide a scope exception related to ASC 825's disclosure requirements for financial liabilities within the scope of the proposed amendments. The Task Force decided that the effective date of the guidance should be aligned with the effective date of ASC 606. For public business entities, the guidance would be effective for annual periods (including interim periods therein) beginning after December 15, 2017. For all other entities, the guidance would be effective for annual periods beginning after December 15, 2018, and interim periods thereafter. Early adoption would be permitted for all entities. The EITF is expected to redeliberate the scope of the guidance at its November 12, 2015, meeting.
- *Issue 15-F, "Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments"* — The Task Force reached the following tentative decisions:
  - *Proceeds from the settlement of corporate-owned life insurance (COLI) policies* — The EITF tentatively decided that cash proceeds from the settlement of COLI polices should be classified in investing activities. Further, the Task Force decided that an entity would be permitted, but not required, to align the classification of premium payments on COLI policies with the classification of COLI proceeds.
  - *Distributions received from equity method investees* — The EITF tentatively decided that an entity should apply the cumulative earnings approach in classifying cash dividends received as a return on or a return of investment (i.e., operating or investing cash inflows, respectively).
  - *Beneficial interests in securitization transactions* — The EITF tentatively decided that beneficial interests received as proceeds from the securitization of an entity's assets should be disclosed as a noncash activity. Further, the Task Force decided that subsequent cash receipts on beneficial interests from the securitization of an entity's trade receivables should be classified in investing activities.
  - *Application of the predominance principle* — The EITF tentatively decided to provide additional guidance on when cash flows of a single cash receipt or payment should be (1) separated into more than one class of cash flows for separately identifiable cash flows on the basis of their nature or (2) aggregated and classified on the basis of the predominant activity of the cash receipt or payment.

At its November 12, 2015, meeting, the Task Force is expected to redeliberate the cash flow classification of restricted cash and deliberate (1) transition alternatives for all nine issues and (2) illustrative examples and implementation guidance. The Task Force will discuss the effective date at a future meeting.

**Next Steps:** The next EITF decision-making meeting is tentatively scheduled for November 12, 2015.

**Other Resources:** Deloitte's September 2015 *EITF Snapshot*.

## Environmental, Social, and Governance Issues

### CFA Institute Publishes Study on How Environmental, Social, and Governance Disclosures Affect Investment Decisions

**Affects:** Investment professionals.

**Summary:** On August 17, 2015, the CFA Institute published a study reporting the results of a survey of investment professionals regarding the effect of environmental, social, and governance (ESG) disclosures on investment decisions. Key survey findings include the following:

- Sixty-three percent of those surveyed indicated that they "consider ESG in the investment decision making process to help manage investment risks"; further, 44 percent evaluate ESG because their clients and investors demand it and 38 percent see ESG performance as a "proxy for management quality."
- Board accountability, human capital, and executive compensation were cited as the issues most important to investment analysis and decision-making.
- ESG issues are considered by 78 percent of respondents in the Asia-Pacific region; 74 percent of those in Europe, Middle East, and Africa; and 59 percent of those in the Americas.
- Fifty-seven percent of those surveyed "integrate ESG into the whole investment analysis and decision-making process," while 38 percent employ best-in-class positive alignment and 36 percent "use ESG analysis for exclusionary screening."
- Sixty-one percent of survey respondents say that "public companies should be required to report at least annually" on ESG factors, and 69 percent of these respondents believe that these disclosures "should be subject to independent verification."

**Other Resources:** For more information, see the press release on the CFA Institute's Web site.

## Exposures to Struggling Economies

### Financial Reporting Implications Related to Regions Experiencing Economic Struggles

**Affects:** All entities.

**Summary:** Economic conditions, particularly in Europe and Puerto Rico, continue to be volatile. A vote by Greece's parliament on July 15, 2015, to accept new austerity measures, as well as other recent actions by eurozone leaders, may have allayed some fears and reduced the risk that Greece will exit from the eurozone (i.e., discontinue using the euro as the country's currency). However, the situation remains uncertain for the time being.

Outside the eurozone, Puerto Rico, a commonwealth of the United States, is also suffering from a combination of a large debt burden, weak economic growth, and population declines. On July 15, the Public Finance Corporation of Puerto Rico advised investors that the commonwealth had failed to transfer cash to the trustee of certain of its bond obligations within the period required to cover an August 1 debt payment because its legislature did not appropriate funds with which to do so. In addition, the Puerto Rican government has requested that the U.S. Congress pass a law allowing Puerto Rico to seek bankruptcy protection from creditors. This measure is meant to avoid a disruptive default process.

**Other Resources:** Deloitte's July 20, 2015 (updated September 28, 2015), *Financial Reporting Alert*.

## Revenue Recognition

### SEC Encourages Elevation of Revenue-Related Implementation Issues to the FASB-IASB Transition Resource Group*

**Affects:** All entities.

**Summary:** In September 2015, James Schnurr and Wesley R. Bricker, chief accountant and deputy chief accountant, respectively, in the SEC's Office of the Chief Accountant, gave speeches in which they discussed the ongoing efforts to implement the FASB's and IASB's new revenue standard (issued as ASU 2014-09 by the FASB and IFRS 15 by the IASB), including the ongoing collaboration between preparers, auditors, and standard setters. In particular, Mr. Schnurr and Mr. Bricker both were concerned that the AICPA's 16 industry task forces have elevated relatively few issues to the FASB-IASB joint revenue TRG. As Mr. Schnurr noted, "It would be unfortunate if key questions or issues of disagreement or concern are not appropriately escalated due to concerns that, if escalated, the resolution of the accounting would change an existing practice or result in an accounting treatment that the industry did not prefer. Rather, the time is now to escalate these issues and ensure they are resolved at the appropriate level."

### FASB and IASB Joint Revenue Transition Resource Group Holds July Meeting

**Affects:** All entities.

**Summary:** At its July 13, 2015, meeting, the FASB and IASB joint revenue TRG discussed the following nine topics:

- Consideration payable to a customer (Topic 1).
- Scope: credit cards (Topic 2).
- Portfolio practical expedient and application of variable consideration constraint (Topic 3).
- Completed contracts at transition (Topic 4).
- Application of the series provision and allocation of variable consideration (Topic 5).
- Practical expedient for measuring progress toward complete satisfaction of a performance obligation (Topic 6).
- Measuring progress when multiple goods or services are included in a single performance obligation (Topic 7).
- Determining when control of a commodity is transferred (Topic 8).
- Accounting for restocking fees and related costs (Topic 9).

The TRG generally agreed with the FASB and IASB staffs' analyses and views regarding Topics 1, 2, 5, 6, 7, 8, and 9 and therefore did not recommend changes to the new revenue standard. Topics 3 and 4 are likely to be addressed at a future TRG meeting.

**Next Steps:** The next TRG meeting is scheduled for November 9, 2015.

**Other Resources:** Deloitte's July 2015 *TRG Snapshot*.

## Sustainability

### IFAC Issues Publication on How Accountants Can Respond to Sustainability Challenges

**Affects:** Professional accountants.

**Summary:** On July 29, 2015, IFAC issued a publication to help accountants become more aware of "how they can help their organizations address issues of sustainability and more fully incorporate these issues into business strategy." Specifically, the publication "clarifies the important role accountants can, and must, play in embracing sustainability to ensure that the organizations they serve are resilient by linking sustainability to a broader business agenda and strategy."

**Other Resources:** For more information, see the press release on IFAC's Web site.

## XBRL

### FASB Releases Proposed 2016 Financial Reporting Taxonomy for Public Comment*

**Affects:** All entities.

**Summary:** On September 1, 2015, the FASB released for public comment its proposed 2016 U.S. GAAP financial reporting taxonomy, which "contains updates for accounting standards and other recommended improvements to the official Taxonomy." The taxonomy consists of XBRL-coded labels with tags that allow financial statement users to "electronically search for, assemble, and process data so that the data can be readily accessed and analyzed by investors, analysts, journalists, and regulators."

**Next Steps:** Comments on the proposed taxonomy are due by October 31, 2015. The final version is expected to be published in early 2016.

**Other Resources:** For more information, see the press release on the FASB's Web site.

## International

### IASB Decides to Propose IFRS 9 Deferral for Insurers*

**Affects:** Entities reporting under IFRSs.

**Summary:** At its September 23, 2015, meeting, the IASB decided to propose a deferral of the effective date of IFRS 9 (on financial instruments) for entities that primarily issue insurance contracts. Specifically, the IASB decided to propose amendments to IFRS 4 to give insurance entities the option of deferring — from 2018 to 2021 — IFRS 9's effective date. The purpose of the deferral would be to address implementation issues related to IFRS 9 before the IASB's upcoming standard on insurance contracts (which is expected to be issued in 2016) becomes effective.

The IASB also considered how long the deferral should last and decided that it would expire in 2020 if the new insurance contracts standard has an effective date of January 1, 2020.

**Next Steps:** The IASB is expected to issue an ED proposing the deferral for public comment later this year.

**Other Resources:** For more information, see the press release on the IASB's Web site.

## IFRS Transition Resource Group for Impairment of Financial Instruments Holds September Meeting*

**Affects:** Entities reporting under IFRSs.

**Summary:** At its September 16, 2015, meeting, the IFRS Transition Resource Group for Impairment of Financial Instruments discussed the following five topics:

- Significant increases in credit risk.
- Use of changes in the risk of a default's occurrence over the next 12 months in the assessment of significant increases in credit risk.
- Measurement of expected credit losses for revolving credit facilities.
- Forward-looking information.
- Status of Basel guidance on accounting for credit losses.

**Other Resources:** For more information, see the September 18, 2015, *IFRS in Focus* on Deloitte's IAS Plus Web site.

## IASB Requests Input as Part of 2015 Agenda Consultation

**Affects:** Entities reporting under IFRSs.

**Summary:** On August 11, 2015, the IASB released — as part of its second agenda consultation — a request-for-views document to seek feedback on the strategic direction and overall balance of its future work program. In the foreword to the publication, IASB Chairman Hans Hoogervorst notes that the agenda consultation is conducted in conjunction with the review of the IFRS Foundation's structure and effectiveness that the foundation's trustees launched in July 2015 (see article below).

**Next Steps:** Comments on the request-for-views document are due by December 31, 2015.

**Other Resources:** For more information, see the press release on the IASB's Web site.

## IFRS Foundation Trustees Request Comments on Organization's Structure and Effectiveness

**Affects:** Entities reporting under IFRSs.

**Summary:** On July 7, 2015, the IFRS Foundation trustees published a request-for-views document that seeks feedback on ways to further enhance the organization's structure and effectiveness. The document is being issued in response to a requirement in the IFRS Foundation Constitution, under which the trustees must review the foundation's structure and effectiveness every five years. Comments are requested on three main topics:

- Relevance of IFRSs.
- Consistent application of IFRSs.
- The foundation's governance and financing.

**Next Steps:** Comments on the request-for-views document are due by November 30, 2015.

**Other Resources:** For more information, see the press release on the IASB's Web site.

# Auditing Developments

In This Section



## AICPA

### AICPA Issues TPA on Required Supplementary Information

**Affects:** Auditors.

**Summary:** On August 26, 2015, the AICPA issued a TPA that provides auditors with nonauthoritative guidance regarding situations in which they are required to be independent with respect to required supplementary information (RSI). Specifically, the TPA explains that under GAAS, an auditor must be independent "for any period being audited and covered by the auditor's opinion" and that, "[i]n the absence of any separate requirement in the particular circumstances of the engagement, the auditor's opinion on the basic financial statements does not cover RSI."

### AICPA Proposes Amendments to Guidance on Auditor's Report

**Affects:** Auditors.

**Summary:** On August 14, 2015, the ASB of the AICPA issued a proposed SAS that would amend the guidance in AU-C Section 700 related to the auditor's report. The proposed amendments would include the following:

- Clarification that auditors who conduct audits under PCAOB standards, when those audits are not within the PCAOB's jurisdiction, must also comply with GAAS.
- A requirement stipulating that "when the auditor plans to refer to the standards of the PCAOB in addition to GAAS in the auditor's report, the auditor should use the report layout and wording specified by the auditing standards of the PCAOB, amended to indicate that the audit was also conducted in accordance with GAAS."

In addition, the proposal would (1) include application material containing examples of entities outside the PCAOB's jurisdiction and (2) add a new illustration to the exhibit "Illustrations of Auditor's Reports on Financial Statements."

Comments on the proposed SAS were due by September 30, 2015.

### AICPA Releases Two Audit Data Standards

**Affects:** Auditors.

**Summary:** The AICPA has released two audit data standards related to subledgers. The standards, whose adoption is voluntary, are designed to reduce the amount of time companies need to comply with auditors' file requests.

### AICPA Adds Statement on Audit Response Letters to AU-C Section on Audit Evidence

**Affects:** Auditors.

**Summary:** In July 2015, the AICPA announced that it has added Exhibit C, a statement by the American Bar Association regarding updates to lawyers' audit response letters, to AU-C Section 501 (which provides guidance on audit evidence). The purpose of the statement is to "enhance the ability of lawyers to respond efficiently to update requests, thereby facilitating the audit process and contributing to audit quality."

## CAQ

### CAQ SEC Regulations Committee Releases Highlights of June 18, 2015, Meeting With SEC Staff

**Affects:** All entities.

**Summary:** On August 5, 2015, the CAQ posted to its Web site highlights of the June 18, 2015, CAQ SEC Regulations Committee joint meeting with the SEC staff. Topics discussed at the meeting included:

- An upcoming change in the Division of Corporation Finance's (the "Division's") office of the chief accountant to make associate chief accountants responsible for accounting topics rather than specific industries. The process for reviewing filings will not otherwise change.
- Current financial reporting matters:
  - The Division's views regarding delinquent filings.
  - The impact of adopting new accounting standards on previous significance tests under Regulation S-X, Rule 3-09.
  - Segment reporting.
  - An update on SAB Topic 5.Z.7 regarding accounting for the spin-off of a subsidiary.
  - Requests for the Division staff to review incomplete filings.
- Current practice issues:
  - Pro forma reserves and standardized measures of oil and gas data in connection with acquisitions and sales of oil and gas businesses.
  - The date for assessing whether an acquiree meets the definition of a foreign business under Regulation S-X, Rule 1-02(l).

### Anti-Fraud Collaboration Publishes Case Study

**Affects:** All entities.

**Summary:** On July 28, 2015, the Anti-Fraud Collaboration (a joint effort of the CAQ, FEI, IIA, and NACD) published a case study that "explores potential material fraud at a fictitious regional bank." The case study "is designed to foster a greater understanding of the importance of exercising skepticism as a participant in the financial reporting process at publicly traded companies."

**Other Resources:** For more information, see the press release on the CAQ's Web site.

## IIA

### IIA Publishes Paper on Use of Technology

**Affects:** Internal auditors.

**Summary:** On August 18, 2015, the IIA published a paper on how internal auditors are adapting to the rapid technological advances that are affecting the profession. Specifically, the paper discusses the results of a worldwide survey of 14,000 internal audit professionals, which revealed that "internal audit's use and understanding of technology continues to grow, but that there remains room for improvement."

**Other Resources:** For more information, see the press release on the IIA's Web site.

## IIA Updates *International Professional Practices Framework*

**Affects:** Internal auditors.

**Summary:** On July 6, 2015, the IIA announced that it has updated its *International Professional Practices Framework* for internal auditors. The framework enhancements include the addition of an internal audit mission statement and the incorporation of 10 core principles that "articulate internal audit effectiveness."

**Other Resources:** For more information, see the press release on the IIA's Web site.

## PCAOB

### SEC Approves PCAOB Proposal on Audit Standard Restructuring*

**Affects:** Auditors.

**Summary:** On September 17, 2015, the SEC issued a release approving the PCAOB's proposal to reorganize its auditing standards and make related changes to PCAOB rules and attestation, quality control, and ethics and independence standards.

The proposal would reorganize the PCAOB's standards into the following categories:

- General auditing standards (AS 1000s).
- Audit procedures (AS 2000s).
- Auditor reporting (AS 3000s).
- Matters related to filings under federal securities laws (AS 4000s).
- Other matters associated with audits (AS 6000s).

**Next Steps:** The PCAOB's proposal will become effective on December 31, 2016, but auditors are permitted to use and reference the reorganized standards before this date because the proposal does not substantively change the requirements of the standards.

### PCAOB Remarks on Importance of Internal Controls*

**Affects:** All entities and their auditors.

**Summary:** In a speech at the PCAOB Investor Advisory Group meeting on September 9, 2015, Helen Munter, the PCAOB's director of registration and inspections, noted that "the audit of internal control [tops] the list of deficiencies in the audit work [the PCAOB has] reviewed." Ms. Munter noted that the PCAOB most commonly sees problems related to the understanding of a company's flow of transactions, testing of management review controls, and testing of system-generated data or reports.

### PCAOB Issues Annual Report and Inspection Briefs Related to Interim Inspection Program*

**Affects:** Broker-dealers and their auditors.

**Summary:** On August 18, 2015, the PCAOB issued an annual report on its interim inspection program for broker-dealers, which addresses audit deficiencies and independence findings the PCAOB discovered in audit firm inspections it conducted during 2014. The deficiencies noted by the PCAOB primarily concerned revenue recognition, reliance on records and reports, fair value accounting estimates, financial statement presentation disclosures, and the customer protection rule.

In addition, in August and October 2015, the PCAOB also issued its first and second staff inspection briefs related to its 2015 interim inspection program. The inspection briefs are "intended to assist auditors, audit committees, investors, and preparers in further understanding the inspection process and its results."

**Other Resources:** For more information, see the August 18, September 1, and October 1 press releases on the PCAOB's Web site.

## International

### PIOB Publishes Paper Describing Standard-Setting Model*

**Affects:** Auditors.

**Summary:** On September 15, 2015, the PIOB published a paper that outlines the international standard-setting model that applies to the audit, assurance, ethics, and education fields for professional accountants. As described in the paper, this model comprises a three-tier structure consisting of (1) three standard-setting boards, the IAASB, IESBA, and IAESB; (2) the PIOB, which is an independent organization responsible for overseeing the three boards' standard-setting and nomination processes; and (3) the Monitoring Group, which is a "group of international public interest and financial organizations . . . with the responsibility to monitor the overall structure and to which the PIOB is accountable."

**Other Resources:** For more information, see the press release on IFAC's Web site.

### IAASB Issues Staff Audit Practice Alert on Engagement Partner's Responsibilities

**Affects:** Auditors.

**Summary:** On August 14, 2015, the IAASB issued a staff audit practice alert that provides auditors with nonauthoritative guidance on an engagement partner's responsibilities in situations in which the partner is not located where the majority of the audit work is performed. The alert was issued in response to certain regulators' concerns that entities have been applying ISAs inconsistently in such situations.

### IAASB Proposes Amendments to Guidance Related to Reporting on Summary Financial Statements

**Affects:** Auditors.

**Summary:** On August 3, 2015, the IAASB issued an ED that would revise the guidance in ISA 810 on reporting on summary financial statements in light of the issuance of its January 2015 revised auditor reporting standards. Speaking about the ED's purpose, IAASB Chairman Arnold Schilder noted that "[t]he IAASB believes it is . . . in the public interest to provide users of summary financial statements with greater transparency in circumstances when additional information, such as key audit matters, are communicated in the related auditor's report on the audited financial statements."

**Next Steps:** Comments on the ED are due by November 2, 2015.

**Other Resources:** For more information, see the press release on IFAC's Web site.

## IAASB Proposes Amendments to Auditing Standards to Address Noncompliance With Laws and Regulations

**Affects:** Auditors.

**Summary:** On July 23, 2015, the IAASB issued an ED that would make certain limited amendments to its standards in light of the IESBA's 2015 ED on responding to noncompliance with laws and regulations. The purpose of the IAASB's ED is "to acknowledge the enhancements that will be made by the IESBA in the [*Code of Ethics for Professional Accountants*] and clarify and emphasize key aspects of the IESBA's proposals in the IAASB's International Standards." The IAASB's new ED would amend eight standards but would most significantly affect ISA 250.

**Next Steps:** Comments on the ED are due by October 21, 2015.

**Other Resources:** For more information, see the press release on IFAC's Web site.

## IAASB Issues Publication on Financial Statement Audits

**Affects:** Auditors.

**Summary:** On July 15, 2015, the IAASB released a final pronouncement that revises a number of its ISAs to address disclosures in financial statement audits. The purpose of the final pronouncement is to help auditors focus on disclosures throughout the audit process and apply the requirements of the ISAs more consistently. The IAASB staff has also developed a nonauthoritative companion document that describes financial reporting disclosure trends and their possible implications from an audit perspective and highlights how the revised ISAs help auditors address disclosures.

**Next Steps:** The amendments are effective for financial statement audits for periods ending on or after December 15, 2016.

**Other Resources:** For more information, see the press release, basis for conclusions, and at-a-glance document on IFAC's Web site.

## IAESB Revises IES Framework

**Affects:** IFAC member bodies.

**Summary:** On July 14, 2015, the IAESB released a revised version of its *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants*. In the words of IAESB Chairman Chris Austin, "Our objective with this Framework is to provide a foundation that improves the understanding and application of the principles and concepts which underlie the newly revised [IESs]."

**Other Resources:** For more information, see the press release on IFAC's Web site.

## IAESB Requests Comments on Learning Outcomes Approach

**Affects:** Those responsible for designing, developing, and assessing professional education programs for accountants.

**Summary:** On July 7, 2015, the IAESB issued a consultation paper that requests feedback on the principles for implementing a learning outcomes approach, which is fundamental to the IAESB's development of professional accounting education programs. IAESB Chairman Chris Austin notes that “[t]he principles will assist those responsible for designing, developing, and assessing professional education programs for current and aspiring professional accountants.”

Comments on the consultation paper were due by September 7, 2015.

**Other Resources:** For more information, see the press release on IFAC’s Web site.

## IFIAR Performs Thematic Review of Two Core Principles

**Affects:** IFIAR members.

**Summary:** On June 30, 2015, IFIAR released a report detailing the results of a thematic review in which it sought IFIAR member feedback concerning the following two core principles:

- “Principle 9: Audit regulators should ensure that a risk-based inspection program is in place.”
- “Principle 11: Audit regulators should have a mechanism for reporting inspection findings to the audit firm and ensuring remediation of issues with the audit firm.”

The purpose of the report is to “identify, compile and share practices” related to the application of these two principles.

**Other Resources**: For more information, see the press release on IFIAR’s Web site.

# Governmental Accounting and Auditing Developments

## In This Section



## FASAB

### FASAB Proposes Technical Release Containing Implementation Guidance on Internal-Use Software*

**Affects:** Entities applying federal financial accounting standards.

**Summary:** On September 16, 2015, the FASAB issued an ED of a proposed technical release to help reporting entities apply the guidance in FASAB Statement 10 on internal-use software. The proposal is being issued in light of the numerous developments in software-related techniques and terminology that have occurred since the issuance of Statement 10 in 1998.

**Next Steps:** Comments on the ED are due by October 28, 2015.

**Other Resources:** For more information, see the press release on the FASAB's Web site.

## GAO

### GAO Releases Tool for Combating Fraud Risk

**Affects:** Federal program managers.

**Summary:** On July 28, 2015, the GAO released a tool that is designed to "help federal program managers combat fraud and ensure integrity in government agencies and programs." According to U.S. Comptroller General Gene L. Dodaro, "Federal managers oversee how hundreds of billions of dollars are spent annually and this new conceptual framework can be a highly effective tool in helping managers fight fraud wherever it exists."

**Other Resources:** For more information, see the press release on the GAO's Web site.

## GASB

### GASB Issues Proposed Implementation Guide to Clarify Recent Guidance*

**Affects:** Entities reporting under financial accounting and reporting standards for state and local governments.

**Summary:** On September 30, 2015, the GASB issued a proposed implementation guide consisting of Q&As that would "clarify, explain, or elaborate on recent GASB Statements." The Q&As focus on the GASB's standards on fair value reporting, pensions, and health care benefits for retirees.

**Next Steps:** Comments on the proposed implementation guide are due by November 30, 2015.

**Other Resources:** For more information, see the press release on the GASB's Web site.

### GASB Issues Implementation Guide Related to Reorganization of GAAP Hierarchy

**Affects:** Entities reporting under financial accounting and reporting standards for state and local governments.

**Summary:** On August 27, 2015, the GASB announced that it has issued an implementation guide that "clarifies, explains, or elaborates on GASB Statements and Interpretations." The guide includes changes made as a result of "feedback received during the year-long public exposure of previously issued implementation guidance," culminating in the issuance of Statement 76, which "reduces the GAAP hierarchy to two categories of authoritative GAAP."

**Next Steps:** The implementation guide is effective for reporting periods beginning after June 15, 2015.

**Other Resources:** For more information, see the press release on the GASB's Web site.

## GASB Issues Statement on Tax Abatement Disclosures

**Affects:** Entities reporting under financial accounting and reporting standards for state and local governments.

**Summary:** On August 14, 2015, the GASB issued Statement 77, which requires state and local governments to disclose information about property and other tax abatement agreements. Specifically, state and local governments that currently have tax abatement programs in place must disclose the following:

- "The purpose of the tax abatement program
- The tax being abated
- Dollar amount of taxes abated
- Provisions for recapturing abated taxes
- The types of commitments made by tax abatement recipients
- Other commitments made by a government in tax abatement agreements, such as to build infrastructure assets."

**Next Steps:** Statement 77 is effective for reporting periods beginning after December 15, 2015.

**Other Resources:** For more information, see the press release and *GASB in Focus* article on the GASB's Web site.

## GASB Proposes Guidance on External Investment Pools and Component Units

**Affects:** Entities reporting under financial accounting and reporting standards for state and local governments.

**Summary:** On June 30, 2015, the GASB released the following two EDs:

- *Accounting and Financial Reporting for Certain External Investment Pools* — Under this proposal, certain external investment pools would be permitted to use amortized cost to measure pool investments.
- *Blending Requirements for Certain Component Units* — This proposal "would establish an additional blending criterion for financial statement presentation of component units of state and local governments."

Comments on the ED on external investment pools were due by August 30, 2015; comments on the ED on component units were due by October 2, 2015.

**Other Resources:** For more information, see the press release on the GASB's Web site.

## OMB

### OMB Releases 2015 Circular A-133 Compliance Supplement

**Affects:** Auditors of entities that receive federal funds.

**Summary:** On July 14, 2015, the White House's OMB announced that it has released its 2015 Circular A-133 Compliance Supplement. According to the notice of availability in the *Federal Register*, updates to the 2015 supplement include (1) the addition of five programs and the deletion of eleven programs (e.g., nine programs that have been completed in accordance with the American Recovery and Reinvestment Act); (2) certain program changes and technical corrections; and (3) the removal of several compliance requirements.

**Next Steps:** Interested parties can provide comments on the 2015 supplement by October 31, 2015. The supplement is effective for audits of fiscal years beginning after June 30, 2014.

## International

### IPSASB Publishes Strategy for 2015 and Beyond*

**Affects:** Public-sector entities.

**Summary:** On September 17, 2015, the IPSASB published a paper outlining its strategy for 2015 and the years ahead. The paper describes the IPSASB's primary strategic objective as "[s]trengthening public financial management and knowledge globally through increasing adoption of accrual-based IPSAS by:

- Developing high-quality public sector financial reporting standards;
- Developing other publications for the public sector; and
- Raising awareness of IPSAS and the benefits of their adoption."

### IPSASB Issues Proposal on Applicability of IPSASs

**Affects:** Public-sector entities.

**Summary:** On July 30, 2015, the IPSASB issued an ED that would clarify the types of public-sector entities to which its IPSASs apply. Specifically, the ED would revise the characteristics of a public-sector entity, as described in the preface to its IPSASs. In addition, the proposal would remove the definition of a government business enterprise (GBE) from its IPSASs and RPGs in response to feedback indicating that "a wide range of entities are described as GBEs, but some of these entities clearly do not meet the IPSASB definition of a GBE [and that] there are different interpretations of the GBE definition."

**Next Steps:** Comments on the ED are due by November 30, 2015.

**Other Resources:** For more information, see the press release on IFAC's Web site.

### IPSASB Requests Comments on Recognizing and Measuring Social Benefits

**Affects:** Public-sector entities.

**Summary**: On July 29, 2015, the IPSASB issued a consultation paper that seeks feedback on the recognition and measurement of social benefits, which the paper broadly defines as "benefits provided to individuals and households, in cash or in kind, to mitigate the effect of social risks." The paper proposes three options for accounting for social benefits:

1. *Obligating event approach* — Social benefits are considered in the context of the definition of a liability in the IPSASB's conceptual framework for public-sector entities.
2. *Social contract approach* — The benefits are viewed from the standpoint of a social contract between a state and its citizens (e.g., because citizens have agreed to pay taxes).
3. *Insurance approach* — This approach is based on the assumption that "some social benefits are similar in practice to insurance contracts."

**Next Steps:** Comments on the ED are due by January 31, 2016.

**Other Resources:** For more information, see the press release on IFAC's Web site.

# Regulatory and Compliance Developments

## In This Section



## Banking

### OCC Releases 2015 Update to Bank Accounting Advisory Series*

**Affects:** Banking entities.

**Summary:** On September 29, 2015, the OCC released an update to its Bank Accounting Advisory Series (BAAS). This BAAS update includes new and updated questions on troubled debt restructurings, other real estate owned, acquisitions, intangible assets, pushdown accounting, loans held for sale, and corporate reorganizations. However, certain questions on loans held for sale, deferred taxes, acquisitions, and pushdown accounting have been deleted.

**Other Resources:** For more information, see the press release on the OCC's Web site.

## COSO

### COSO Issues White Paper on Risk Management

**Affects:** All entities.

**Summary:** On July 7, 2015, COSO released a white paper that addresses risk management by outlining "three lines of defense" — risk ownership, risk monitoring, and risk assurance — that entities should employ in assigning and coordinating "specific duties related to risk and control." The paper points out that "[t]he benefits of clearly defining responsibilities related to governance, risks, and control are that gaps in controls and duplication of duties related to risk and control are minimized."

**Other Resources:** For more information, see the press release on COSO's Web site.

## SASB

### SASB Issues Second Set of Provisional Standards for Consumption Industries*

**Affects:** Industries within the scope of the standards.

**Summary:** On September 23, 2015, the SASB issued its second set of provisional standards for the consumption industries. The standards are the ninth set in a planned series of industry-related SASB standards on accounting for ESG issues that could be material to a corporation's performance. The standards focus on material sustainability matters that corporations are already required to disclose in their Form 10-K or 20-F filings with the SEC. The standards apply to the following industries:

- Apparel, accessories, and footwear.
- Appliance manufacturing.
- Building products and furnishings.
- Drug retailers and convenience stores.
- E-commerce.
- Food retailers and distributors.
- Multiline and specialty retailers and distributors.
- Toys and sporting goods.

The Board's first eight sets of provisional standards focus on communications, consumption I, financials, health care, nonrenewable resources, provisional services, resource transformation, and transportation.

**Other Resources:** For more information, see the industry briefs on the SASB's Web site.

### SASB Issues Draft Standards for the Renewable Resources and Alternative Energy Sector

**Affects:** Industries within the scope of the standards.

**Summary:** On July 7, 2015, the SASB issued EDs of draft standards for the renewable resources and alternative energy sector. The standards would apply to the following industries:

- Biofuels.
- Solar energy.
- Wind energy.
- Fuel cells and industrial batteries.
- Forestry and logging.
- Pulp and paper products.

**Next Steps:** Comments on the EDs are due by October 5, 2015.

## SEC

### SEC Requests Comments on Effectiveness of Certain Disclosure Requirements in Regulation S-X*

**Affects:** SEC registrants.

**Summary:** On September 25, 2015, the SEC published a request for comment that seeks feedback on the effectiveness of certain of the disclosure requirements in Regulation S-X — specifically, those under which registrants must "provide financial information about acquired businesses, subsidiaries not consolidated and 50 percent or less owned persons, guarantors and issuers of guaranteed securities, and affiliates whose securities collateralize registered securities." The request for comment constitutes part of the SEC's disclosure effectiveness initiative, in which the Commission's Division of Corporation Finance "review[s] the disclosure requirements applicable to public companies to consider ways to improve the requirements for the benefit of investors and public companies."

**Next Steps:** Comments are due by November 30, 2015.

**Other Resources:** For more information, see the press release on the SEC's Web site.

### SEC Proposes Rules to Modernize Administrative Proceedings*

**Affects:** SEC registrants.

**Summary:** On September 24, 2015, the SEC issued two proposed rules (34-75976 and 34-75977) to modernize its administrative proceedings. The proposed amendments constitute three primary changes:

- Adjusting "the timing of administrative proceedings, including by extending the time before a hearing occurs in appropriate cases."
- Permitting "parties to take depositions of witnesses as part of discovery."

- Requiring “parties in administrative proceedings to submit filings and serve each other electronically, and to redact certain sensitive personal information from those filings.”

**Next Steps:** Comments on the proposed rules are due 60 days after the date of their publication in the *Federal Register*.

**Other Resources:** For more information, see the press release on the SEC’s Web site.

## SEC Proposes Reforms to Promote Effective Liquidity Management*

**Affects:** SEC registrants.

**Summary:** On September 22, 2015, the SEC issued a proposed rule that would introduce a package of reforms “designed to enhance effective liquidity risk management by open-end funds, including mutual funds and exchange-traded funds (ETFs).” The proposal would require mutual funds and ETFs to “implement liquidity risk management programs and enhance disclosure regarding fund liquidity and redemption practices.” The proposed reforms would “better ensure investors can redeem their shares and receive their assets in a timely manner.”

**Next Steps:** Comments on the proposed rule are due 90 days after the date of its publication in the *Federal Register*.

**Other Resources:** For more information, see the press release on the SEC’s Web site.

## SEC Amends Rule Related to Money Market Funds*

**Affects:** SEC registrants.

**Summary:** On September 16, 2015, the SEC issued a final rule that removes credit rating references from its money market fund rule and form. Under the new requirements, a money market fund “is limited to investing in a security only if the fund determines that the security presents minimal credit risks after analyzing certain prescribed factors.”

**Next Steps:** The final rule will become effective on October 26, 2015. Entities must comply with the rule by October 14, 2016.

**Other Resources:** For more information, see the press release on the SEC’s Web site.

## SEC Updates EDGAR Filer Manual and Technical Specifications*

**Affects:** SEC registrants.

**Summary:** On September 15, 2015, the SEC issued a final rule that revises its EDGAR Filer Manual. The updates include the following:

- New submission form types.
- New XBRL document types.
- New exhibits on EDGARLink Online.
- Minor, documentation-only corrections.
- Software updates to address previous EDGAR updates.
- Schema updates.

**Next Steps:** The final rule will become effective on the date of its publication in the *Federal Register*.

**Other Resources:** For more information, see the EDGAR page on the SEC's Web site.

## SEC Issues Proposed Rule on Security-Based Swap Data Repositories*

**Affects:** SEC registrants.

**Summary:** On September 4, 2015, the SEC issued a proposed rule on access to data obtained by security-based swap repositories. The proposed rule, which was released in response to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act, "would implement the conditional Exchange Act requirement that security-based swap data repositories make data available to certain regulators and other authorities." In addition, the proposal "would set forth a conditional exemption from the statutory indemnification requirement associated with that regulatory access provision."

**Next Steps:** Comments on the proposed rule are due by October 29, 2015.

## SEC Updates Financial Reporting Manual

**Affects:** SEC registrants.

**Summary:** On August 25, 2015, the staff in the SEC's Division of Corporation Finance (the "Division") updated Sections 1320.3 and 1320.4 of its Financial Reporting Manual (FRM) to clarify that "[g]enerally, the Division of Corporation Finance will not issue comments asking a delinquent registrant to file separately all of its delinquent filings if the registrant files a comprehensive annual report on Form 10-K that includes all material information that would have been included in those filings." Previously, registrants would have sought such an accommodation in writing from the Division's Office of the Chief Accountant.

The updates also reiterated that a registrant's filing of a comprehensive annual report on Form 10-K in those circumstances does not (1) absolve it of any Exchange Act liability arising from its failure to file all required reports or shield it from any related enforcement actions; (2) make it "current" for Regulation S, Rule 144, or Form S-8 filings; or (3) affect its inability to use Form S-3 until it satisfies the timely-filer requirements.

**Other Resources:** For more information, see the FRM page on the SEC's Web site.

## SEC Conflict Minerals Rule: Federal Appellate Court Upholds Partial Stay; GAO Releases Report

**Affects:** SEC registrants.

**Summary:** On August 18, 2015, the U.S. Court of Appeals for the District of Columbia Circuit (the "Appellate Court") upheld its April 2014 ruling that parts of the SEC's conflict minerals rule and of Section 1502 of the Dodd-Frank Act violate the First Amendment to the extent that they require issuers to disclose that their products have "not been found to be 'DRC conflict free.'" The Appellate Court had agreed to review its April 2014 ruling in light of a separate case involving country-of-origin labeling of meat products.

**Editor's Note:** On April 14, 2014, the Appellate Court held that parts of the SEC's conflict minerals rule and of Section 1502 of the Dodd-Frank Act violate the First Amendment and remanded the case to the district court. Later that month, the SEC staff issued guidance indicating that registrants would not be required to identify any products as having "not been found to be 'DRC conflict free'" or as being "DRC conflict undeterminable." Registrants could still elect to identify products as "DRC conflict free," but those doing so would be required to obtain an independent private-sector audit (IPSA). On May 2, 2014, the SEC issued a stay of the effective date of portions of its conflict minerals rule that the Appellate Court deemed unconstitutional. The SEC is currently reviewing the Appellate Court's decision, and final resolution of the legal action remains uncertain. Accordingly, registrants should consult with their SEC counsel to determine whether and, if so, when an IPSA is required in light of (1) the SEC staff's April 2014 guidance; (2) the expiration, for many registrants, of the conflict mineral rule's temporary transition period after the 2014 calendar-year filings; and (3) the Appellate Court's ruling.

In addition, the GAO has released a report that analyzes the disclosures that companies provided to the SEC under the Commission's conflict minerals rule for the first time in 2014. The GAO concluded that "most companies were unable to determine the source of their conflict minerals" (i.e., whether they came from the DRC or an adjoining country). Other report findings included the following:

- Most of the companies (87 percent) that provided such disclosures were U.S.-based.
- Nearly all of them (99 percent) performed country-of-origin inquiries.
- Most companies (94 percent) indicated that they had performed due-diligence procedures related to the "source and chain of custody of conflict minerals used."

**Other Resources:** For more information about developments related to the SEC's conflict minerals rule, see Deloitte's March 27, 2014; July 21, 2014; and August 25, 2015, *Heads Up* newsletters.

## SEC Issues Final Rule on Pay Ratio Disclosure

**Affects:** SEC registrants.

**Summary:** On August 5, 2015, the SEC issued a final rule that requires a registrant to calculate and disclose (1) the median of the annual total compensation of all its employees (excluding its principal executive officer (PEO)), (2) the PEO's annual total compensation, and (3) the ratio of (1) to (2). Starting with its first full fiscal year beginning on or after January 1, 2017, the registrant will include the disclosures in filings in which executive compensation information is required, such as proxy and information statements, registration statements, and annual reports. Emerging growth companies, smaller reporting companies, foreign private issuers, registered investment companies, and filers under the U.S.-Canadian Multijurisdictional Disclosure System are exempt from the rule's requirements.

**Editor's Note:** The rulemaking associated with the new requirements has been controversial, as demonstrated by the SEC's receipt of over 287,400 comment letters on the original rule proposal and the SEC's 3–2 vote on the final rule. To address concerns expressed by commenters about the costs of complying with the requirements, the rule provides certain accommodations.

**Next Steps:** The final rule will become effective on October 19, 2015.

**Other Resources:** For more information, see the press release on the SEC's Web site and Deloitte's August 6, 2015, journal entry.

## SEC Issues Final and Proposed Rules Related to Registration for Security-Based Swap Participants

**Affects:** SEC registrants.

**Summary:** On August 5, 2015, the SEC issued a final rule and a proposed rule related to security-based swaps. The final rule addresses "all aspects of the registration regime for security-based swap dealers and major security-based swap participants, setting forth the extensive set of information required to be provided and kept up to date by a registrant." The proposed rule aims to "create a process for security-based swap dealers and major security-based swap participants to apply to the Commission for permission to continue to have certain persons subject to statutory disqualifications involved in effecting their security-based swap transactions if such continuation is consistent with the public interest."

**Next Steps:** The final rule will become effective on October 13, 2015. Comments on the proposed rule are due by October 26, 2015.

**Other Resources:** For more information, see the press release on the SEC's Web site.

## SEC Issues New Compliance and Disclosure Interpretations*

**Affects:** SEC registrants.

**Summary:** In August 2015, the SEC's Division of Corporation Finance issued the following C&DIs related to forms (Question 130.15) and rules (Questions 256.23–.33) under the Securities Act of 1933:

- *Question 130.15* — How issuers should address Item 12, "Sales Compensation," of Regulation D in situations in which the information that the item requests does not apply to the issuer's sales offerings.
- *Question 256.23* — Explains that "the use of an unrestricted, publicly available website constitutes a general solicitation and is not consistent with the prohibition on general solicitation and advertising in Rule 502(c) if the website contains an offer of securities."
- *Question 256.24* — Clarifies that an issuer can disseminate information widely about itself as long as such information does not constitute an offer of securities under Rule 502(c).
- *Question 256.25* — Points out that the determination of what constitutes factual business information depends on the facts and circumstances. However, such information "typically is limited to information about the issuer, its business, financial condition, products, services, or advertisement of such products or services, provided the information is not presented in such a manner as to constitute an offer of the issuer's securities."
- *Question 256.26* — Indicates that "an offer of securities in a Regulation D offering to a prospective investor with whom the issuer, or a person acting on the issuer's behalf, has a [preexisting], substantive relationship" is not the only way to demonstrate "the absence of a general solicitation in a Regulation D offering."
- *Question 256.27* — Outlines situations in which "an issuer, or a person acting on the issuer's behalf, can communicate information about an offering to persons with whom it does not have a [preexisting], substantive relationship without having that information deemed a general solicitation."
- *Question 256.28* — Discusses the circumstances in which SEC-registered investment advisers can form preexisting relationships "with prospective offerees that are clients of the adviser."
- *Question 256.29* — Defines the term "preexisting relationship" in the context of "demonstrating the absence of a general solicitation under Rule 502(c)."
- *Question 256.30* — Confirms that no minimum waiting period is required for an issuer's establishment of "a [preexisting], substantive relationship with a prospective offeree in order to demonstrate that a general solicitation is not involved."

- *Question 256.31* — Defines the term "substantive relationship" with respect to "demonstrating the absence of a general solicitation under Rule 502(c)."
- *Question 256.32* — Explains that, depending on the facts and circumstances, parties other than registered broker-dealers or investment advisers can "form a [preexisting], substantive relationship with a prospective offeree as a means of establishing that a general solicitation is not involved in a Regulation D offering."
- *Question 256.33* — Points out that "a demo day or venture fair [does not] necessarily constitute a general solicitation for purposes of Rule 502(c)."

In addition, on September 16, 2015, the SEC added Section 311.02 to its C&DIs on Regulation AB. This section discusses the asset-level data requirements in Regulation AB (as amended), under which a registrant must disclose "offerings of asset-backed securities backed by residential mortgages, commercial mortgages, auto loans, auto leases and debt securitizations (including resecuritizations)." The C&DI explains that the requirements only apply to "securitizations in which the initial bona fide offer occurs on or after November 23, 2016."

## International

### IIRC Publishes Paper on Applying the Integrated Reporting Concept of "Capitals" in the Banking Industry*

**Affects:** Entities in the banking industry.

**Summary:** In August 2015, the IIRC published a paper that analyzes the application of the multicapitals approach — as described in the IIRC's framework for integrated reporting — in the banking industry. Specifically, the paper "provides insights into current practice for banks' reporting on the capitals, outlines leading reporting practice and articulates the value proposition for banks to report on the capitals."

**Other Resources:** For more information, see the article on Deloitte's IAS Plus Web site.

### IOSCO Publishes Report on Timeliness and Frequency of Disclosures Provided to Investors

**Affects:** Issuers and collective investment schemes (CISs).

**Summary:** On July 30, 2015, IOSCO released a report that discusses the results of its thematic review of the timeliness and frequency of disclosures that issuers and CISs in 37 jurisdictions provide in accordance with Principles 16 and 26 of IOSCO's *Objectives and Principles of Securities Regulation*. Regarding disclosures under Principle 16, the report indicates that there were jurisdictional differences related to whether and when the disclosures were required. With respect to the Principle 26 disclosures, the report "found that timely disclosure requirements on value, risk reward profile and costs of CIS were in place for all jurisdictions."

**Editor's Note:** Principle 16 concerns issuers and indicates that "there should be full, accurate and timely disclosure of financial results, risk and other information that is material to investors' decisions." Principle 26 is related to CISs and states that "regulation should require disclosure, which is necessary to evaluate the suitability of a CIS for a particular investor and the value of the investor's interest in the scheme."

**Other Resources:** For more information, see the press release on IOSCO's Web site.

## Basel Committee and IOSCO Publish Final Criteria for Identifying Simple, Transparent, and Comparable Securitizations

**Affects:** Entities in the financial services industry.

**Summary:** On July 23, 2015, the Basel Committee and IOSCO published a set of criteria aimed at helping entities in the financial industry develop securitization structures that are simple, transparent, and comparable. The publication defines simplicity, transparency, and comparability as follows:

- *Simplicity* — Refers to "the homogeneity of underlying assets with simple characteristics, and a transaction structure that is not overly complex."
- *Transparency* — Indicates that investors have "sufficient information on the underlying assets, the structure of the transaction and the parties involved in the transaction, thereby promoting a more thorough understanding of the risks involved."
- *Comparability* — Investors gain a better understanding of the investments in question and can more easily compare securitization products in an asset class.

**Other Resources:** For more information, see the press release on the BIS's Web site.

## Basel Committee Revises Corporate Governance Principles for Banks

**Affects:** Banking entities.

**Summary:** On July 8, 2015, the Basel Committee issued a set of revised corporate governance principles for banks. The revised principles, which supersede guidance that the committee released in 2010, stress "the critical importance of effective corporate governance for the safe and sound functioning of banks." Specific revisions include:

- Expanded guidance on the board of director's role "in overseeing the implementation of effective risk management systems."
- Heightened emphasis on "the board's collective competence as well as the obligation of individual board members to dedicate sufficient time to their mandates and to keep abreast of developments in banking."
- Stronger risk governance guidance and increased emphasis on the necessity of a "sound risk culture."
- Additional guidance on how bank supervisors should evaluate "the processes used by banks to select board members and senior management."
- Further discussion of compensation systems, which "form a key component of the governance and incentive structure through which the board and senior management of a bank convey acceptable risk-taking behaviour."

**Other Resources:** For more information, see the press release on the BIS's Web site.

## Basel Committee Issues FAQs on Basel III Leverage Ratio Framework

**Affects:** Banking entities.

**Summary:** In July 2015, the Basel Committee published a series of FAQs on implementation of its Basel III leverage ratio framework and the related disclosure requirements. Topics covered in the FAQs include the following:

- Recognizing cash variation margin.
- Whether an affiliate entity to a bank acting as a clearing member can be considered a client under the framework.

- Exposures and netting of securities financing transactions.
- Using the framework to perform netting for derivatives and securities financing transactions under a cross-product netting agreement.
- Meaning of the term "negative change in fair value."
- Treatment of long settlement transactions and failed trades under the framework.

## Basel Committee Releases Consultative Document on Review of Credit Valuation Adjustment Risk Framework

**Affects:** Banking entities.

**Summary:** On July 1, 2015, the Basel Committee published a consultative document that requests comments on its review of the credit valuation adjustment (CVA) risk framework. The review's objectives are to (1) ensure that the Basel regulatory capital standard addresses the significant factors that affect CVA risk and CVA hedges, (2) "align the capital standard with the fair value measurement of CVA employed under various accounting regimes," and (3) make the proposed revisions consistent with the market risk framework under the committee's publication on its fundamental review of the trading book.

Comments on the consultative document were due by October 1, 2015.

**Other Resources:** For more information, see the press release on the BIS's Web site.

# Appendix A: Current Status of FASB Projects

This appendix summarizes the objectives,[1] current status, and next steps for the FASB's active standard-setting projects (excluding research initiatives).

| Project | Description | Status and Next Steps |
|---|---|---|
| **Recognition and Measurement Projects** | | |
| Accounting for financial instruments | This project consists of three phases: (1) classification and measurement, (2) impairment, and (3) hedging.<br>The overall purpose of the project is to "significantly improve the decision usefulness of financial instrument reporting for users of financial statements. [The FASB believes] that simplification of the accounting requirements for financial instruments should be an outcome of this improvement." | **Classification and Measurement**<br>The Board is currently deliberating targeted improvements to existing GAAP. At its January 14, 2015, meeting, the Board directed the staff to begin drafting the final ASU. The final standard is expected to be issued during the fourth quarter of 2015. The Board will discuss the effective date at a future meeting. For more information, see Deloitte's February 2, 2015, *Heads Up*.<br>**Impairment**<br>The Board is currently deliberating aspects of the current expected credit loss model that it exposed for comment in 2012. At its April 22, 2015, meeting, the Board directed the staff to draft a final ASU, which is expected to be issued during the fourth quarter of 2015. For more information, see Deloitte's March 13, 2015, *Heads Up* and April 23, 2015, journal entry.<br>**Hedging**<br>On November 5, 2014, the FASB added the hedge accounting project to its technical agenda. At its June 29, 2015, meeting, the Board made a number of tentative decisions that would significantly modify certain aspects of the existing hedge accounting model. The Board directed the staff to draft a proposed ASU, which is expected to be issued during the first quarter of 2016. For more information, see Deloitte's June 30, 2015, journal entry. |
| Accounting for goodwill for public business entities and not-for-profit entities | The purpose of this project is to "reduce the cost and complexity of the subsequent accounting for goodwill for public business entities and not-for-profit entities." | On November 5, 2014, the FASB discussed the results of the IASB's post-implementation review of IFRS 3 and directed the staff to continue researching (1) the amortization of goodwill, (2) the useful life of goodwill, and (3) simplifying the impairment test. |
| Accounting for identifiable intangible assets in a business combination for public business entities and not-for-profit entities | The purpose of the project is to "evaluate whether certain intangible assets should be subsumed into goodwill, with a focus on customer relationships and noncompete agreements." | On April 7, 2015, the FASB staff updated the Board on the research performed since its November 2014 meeting. As intended, no technical decisions were made. |
| Accounting for income taxes: intra-entity asset transfers and balance sheet classifications of deferred taxes | The purpose of this project is to "simplify accounting for income taxes by:<br>[1.] Eliminating the requirement in GAAP for entities that present a classified statement of financial position to classify deferred tax assets and liabilities as current and noncurrent, and instead requiring that they classify all deferred tax assets and liabilities as noncurrent in the statement of financial position.<br>[2.] Eliminating the prohibition in GAAP on the recognition of income taxes for the intra-entity differences between the tax basis of the assets in a buyer's tax jurisdiction and their cost as reported in the consolidated financial statements, and instead requiring recognition of the income tax consequences associated with an intra-entity transfer when the transfer occurs." | On October 22, 2014, the FASB tentatively decided that (1) current and deferred tax assets and liabilities related to an intra-entity asset transfer would be recognized and (2) deferred income tax assets and liabilities would be presented as noncurrent in the statement of financial condition. On January 22, 2015, the FASB issued two EDs related to this project. Comments were due by May 29, 2015. For more information, see Deloitte's January 30, 2015, *Heads Up*. |

[1] The quoted material related to the projects' objectives is from the respective project pages on the FASB's Web site.

| | | |
|---|---|---|
| Accounting issues in employee benefit plan financial statements (EITF Issue 15-C) | The purpose of this project is to address issues related to:<br>• Differences between the level of detail provided under the ASC 820 fair value measurement disclosure requirements and that provided under the disclosure requirements in the Codification topics on plan accounting (ASC 960, ASC 962, and ASC 965).<br>• Discrepancies in the requirements for disaggregating assets within those disclosures.<br>• Inconsistencies between the measurement requirements in ASC 820 and those in the Codification topics on plan accounting with respect to fully benefit-responsive investment contracts (FBRICs). | At its June 18, 2015, meeting, the EITF reached a final consensus, reaffirming its consensus-for-exposure related to the measurement of FBRICs and plan asset disclosures. The FASB ratified the final consensus at its July 9, 2015, meeting. On July 31, 2015, the FASB completed this project by issuing ASU 2015-12. The amendments in all three parts of this ASU are effective for fiscal years beginning after December 15, 2015; early adoption is permitted. An entity should apply the amendments in parts I and II retrospectively to all financial statements presented, while the amendments in part III should be applied prospectively. For more information, see Deloitte's August 14, 2015, *Heads Up*. |
| Accounting for measurement-period adjustments in a business combination | The purpose of this project is to simplify the accounting for measurement-period adjustments in a business combination. | On September 25, 2015, the FASB issued ASU 2015-16. Under the new guidance, an acquirer must recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. For more information, see Deloitte's September 30, 2015, *Heads Up*. |
| Application of the normal purchases and normal sales (NPNS) scope exception to certain electricity contracts in nodal energy markets (EITF Issue 15-A) | The purpose of this project is to address whether certain contracts for the physical delivery of electricity meet the physical delivery criterion under the NPNS scope exception. | On August 10, 2015, the FASB issued ASU 2015-13, which amends ASC 815 to permit application of the NPNS scope exception to certain forward electricity contacts within nodal energy markets. The guidance is effective upon issuance of the ASU; entities must adopt the guidance prospectively for any qualifying new or existing contract. For more information, see Deloitte's June 2015 *EITF Snapshot*. |
| Clarifying the definition of a business | The purpose of this project is to "clarify the definition of a business with the objective of addressing whether transactions involving in-substance nonfinancial assets (held directly or in a subsidiary) should be accounted for as acquisitions (or disposals) of nonfinancial assets or as acquisitions (or disposals) of businesses. The project will include clarifying the guidance for partial sales or transfers and the corresponding acquisition of partial interests in a nonfinancial asset or assets." | On July 9, 2015, the FASB directed the staff to begin drafting a proposed ASU. The Board tentatively decided to (1) establish a framework for evaluating whether inputs and processes substantively contribute to the ability to create outputs, (2) amend the definition of a business (specifically related to assessing inputs, processes, and outputs), and (3) provide additional guidance on determining whether a transferred set of activities would be considered an asset or business. The proposed ASU is expected to be issued during the fourth quarter of 2015. For more information, see Deloitte's (1) December 18, 2014; April 8, 2015; May 22, 2015; and July 10, 2015, journal entries and (2) December 19, 2014, US GAAP Plus news article. |
| Effect of derivative contract novations on existing hedge accounting relationships (EITF Issue 15-D) | The purpose of this project is to clarify whether and when a novation of a derivative contract that is part of an existing hedge relationship under ASC 815 should result in the dedesignation of the hedging relationship and the discontinuation of hedge accounting. | At its June 18, 2015, meeting, the EITF reached a consensus-for-exposure that a novation that changes the counterparty in a derivative contract would not, in itself, result in the dedesignation of the hedge accounting relationship. On August 6, 2015, the FASB issued a proposed ASU related to the project. Comments are due by October 5, 2015. For more information, see Deloitte's June 2015 *EITF Snapshot*. |
| Employee share-based payment accounting improvements | The purpose of this project is to "reduce the cost and complexity and to improve the accounting for share-based payment awards issued to employees for public and private companies." | On June 8, 2015, the FASB issued a proposed ASU on share-based payments to simplify several aspects of the accounting for employee share-based payment transactions for both public and nonpublic entities, including the accounting for income taxes, forfeitures, minimum statutory withholding requirements, classification in the statement of cash flows, and classification of awards with repurchase features. Comments on the proposed ASU were due by August 14, 2015. For more information, see Deloitte's June 12, 2015, *Heads Up*. |

| | | |
|---|---|---|
| Evaluation of contingent put and call options embedded in debt instruments (EITF Issue 15-E) | The purpose of this project is to clarify the guidance on determining "whether the economic characteristics and risks of an embedded put or call option in a debt instrument are clearly and closely related to the economic characteristics and risks of its debt host." | At its June 18, 2015, meeting, the EITF reached a consensus-for-exposure that when assessing whether a contingent put or call option embedded in a debt instrument must be bifurcated as an embedded derivative and recorded at fair value through earnings, an entity would apply a four-step decision sequence related to determining whether a put or call option that accelerates the repayment of the debt contract's principal is clearly and closely related to the debt instrument. On August 6, 2015, the FASB issued a proposed ASU related to the project. Comments are due by October 5, 2015. For more information, see Deloitte's June 2015 *EITF Snapshot*. |
| Insurance: targeted improvements to the accounting for long-duration contracts | The purpose of this project is to "develop targeted improvements to insurance accounting. Those improvements may address recognition, measurement, presentation, and disclosure requirements for long-duration insurance contracts." | At its July 24, 2015, meeting, the FASB tentatively decided that an entity would be required to use a retrospective transition method in updating the annual assumptions used in measuring the liability for future policy benefits under traditional long-duration insurance contracts. On September 16, 2015, the Board decided that benefits that are related to certain nontraditional long-duration insurance contracts and include other-than-nominal capital market risks (e.g., guaranteed minimum income) should be measured at fair value through net income. For more information, see Deloitte's November 20, 2014; February 19, 2015; July 24, 2015; and September 17, 2015, journal entries. |
| Liabilities and equity: targeted improvements | The purpose of this project is to "simplify the accounting guidance related to financial instruments with characteristics of liabilities and equity." | On November 5, 2014, the FASB added this project to its agenda and decided to address certain issues, including (1) determining whether an instrument is indexed to an entity's own stock; (2) the indefinite deferral related to mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests; (3) freestanding contracts indexed to, and potentially settled in, an entity's own stock; and (4) navigating the Codification. On September 16, 2015, the Board tentatively decided to replace (1) the existing guidance on "down round" features in ASC 815-40 with a new accounting model and (2) the indefinite deferrals in ASC 480-10 with scope exceptions that have the same applicability. The Board directed the staff to prepare a proposed ASU for vote by written ballot. The proposed ASU is expected to be issued in the fourth quarter of 2015. For more information, see Deloitte's September 17, 2015, journal entry. |
| Leases | The purpose of this project is to "increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information." | The Board is redeliberating the proposals in its May 2013 ED. The final standard is expected to be issued during the fourth quarter of 2015. For more information, see Deloitte's August 28, 2014; October 23, 2014; December 16, 2014; January 23, 2015; February 26, 2015; and May 13, 2015, journal entries. |
| Private companies: effective date and transition guidance (PCC Issue 15-01) | The purpose of this project is to consider whether (1) "private companies should be required to assess preferability when electing a [PCC] alternative" and (2) "transition guidance should be extended beyond the effective date for adopting [PCC alternatives]." | On September 30, 2015, the FASB issued a proposed ASU that would remove the effective dates from ASUs 2014-02, 2014-03, 2014-07, and 2014-18. Thus, these ASUs would become effective immediately. Further, the proposal (1) contains transition provisions under which "private companies would be able to forgo a preferability assessment the first time they elect the accounting alternatives within [the proposal's scope]" and (2) would extend the transition guidance in ASUs 2014-02, 2014-03, 2014-07, and 2014-18 indefinitely. Comments on the proposed ASU are due by November 16, 2015. |

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| Recognition of breakage for prepaid stored-value cards (EITF Issue 15-B) | The purpose of this project is to address "whether and when an entity should derecognize a prepaid card liability that exists before redemption of the card at a third-party merchant." | At its November 5, 2014, meeting, the FASB added this project to the EITF's agenda. At its March 19, 2015, meeting, the EITF reached a consensus-for-exposure (1) that certain prepaid stored-value cards are financial liabilities and (2) to amend the guidance in ASC 405-20 to include requirements related to recognizing breakage for certain prepaid stored-value cards. On April 30, 2015, the FASB issued an ED related to this project. Comments were due by June 29, 2015. At its September 17, 2015, meeting, the EITF considered stakeholder feedback and directed the FASB staff to develop a principle that would enable an entity to determine to which financial liabilities it could apply the proposed breakage guidance. For more information, see Deloitte's March 2015 and September 2015 *EITF Snapshot* newsletters. |
| Revenue recognition: deferral of the effective date of ASU 2014-09 | The purpose of this project is to defer the effective date of ASU 2014-09. | On August 12, 2015, the FASB issued ASU 2015-14, which defers the effective date of its revenue standard, ASU 2014-09, by one year and permits early adoption on a limited basis. For more information, see Deloitte's August 13, 2015, journal entry and July 10, 2015, *Heads Up*. |
| Revenue recognition: identifying performance obligations and licenses | The purpose of this project is to clarify the guidance in ASU 2014-09 related to identifying performance obligations and accounting for a license of intellectual property (IP). | On May 12, 2015, the FASB issued a proposed ASU that would amend the guidance on identifying performance obligations and the implementation guidance on licenses of IP. The proposed amendments related to identifying performance obligations include (1) the evaluation of immaterial goods or services, (2) shipping and handling activities, and (3) identifying when promises represent performance obligations. The proposed amendments related to licenses of IP include (1) determining the nature of an entity's promise in granting a license (i.e., functional or symbolic) and (2) applying the sales- and usage-based royalty exception. The effective date and transition provisions would be aligned with the requirements of ASU 2014-09, which is not yet effective (see "Revenue recognition: deferral of the effective date of ASU 2014-09" above). Comments on the ED were due by June 30, 2015. For more information, see Deloitte's May 13, 2015, *Heads Up*. |
| Revenue recognition: narrow-scope improvements and practical expedients | The purpose of this project is to provide narrow-scope amendments and certain practical expedients to clarify and address implementation issues related to ASC 606. | On September 30, 2015, the FASB issued a proposed ASU that would amend ASC 606 to clarify and provide practical expedients related to certain aspects of the new revenue recognition standard. Specifically, the proposal contains amendments related to (1) assessing the collectibility criterion, (2) presentation of sales taxes and similar taxes collected from the customer, (3) clarification of the measurement date and applicability of variable consideration in noncash consideration transactions, (4) a practical expedient for contract modifications when an entity adopts the new revenue standard, and (5) certain disclosure requirements for entities that elect to use the full retrospective transition method to adopt the new revenue standard. Comments on the proposed ASU are due by November 16, 2015. |

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| Revenue recognition: principal versus agent (reporting revenue gross versus net) | The purpose of this project is to address principal-versus-agent considerations related to revenue recognition under ASC 606. | On August 31, 2015, the FASB issued a proposed ASU that would clarify the implementation guidance on principal versus agent considerations as a response to concerns raised by stakeholders. The amendments clarify the principal in a transaction is the entity that transfers the good or service before that good or service is transferred to the customer and provides indicators in determining whether gross or net revenue presentation is appropriate. Comments on the proposed ASU are due by October 15, 2015. For more information, see Deloitte's June 26, 2015, journal entry and September 1, 2015, *Heads Up*. |
| Simplifying the equity method of accounting | The purpose of this project is to simplify the accounting for equity method investments. | On June 5, 2015, the FASB issued a proposed ASU on equity method accounting as part of its simplification initiative. The proposal would amend the accounting for equity method investments, eliminating the requirements for an investor to (1) account for basis differences related to its equity method investees and (2) retroactively account for an investment that becomes newly qualified for use of the equity method because of an increased ownership interest as if the equity method had been applied during all previous periods in which the investment was held. Comments on the proposed ASU were due by August 4, 2015. For more information, see Deloitte's June 16, 2015, *Heads Up*. |
| Technical corrections and improvements | The purpose of this project is to "provide regular updates and improvements to the [Codification] based on feedback received from constituents." | The staff is working on developing the next ED on technical corrections and improvements. |
| **Presentation and Disclosure Projects** | | |
| Accounting associated with the purchase of callable debt securities | Originally, the purpose of this project was to enhance interest income disclosures for purchased debt securities and loans. On September 16, 2015, the Board decided to amend the scope of the project to include the amortization period for purchased callable debt securities. | At its March 18, 2015, meeting, the FASB added this project to its agenda. On September 16, 2015, the Board tentatively decided that for purchased callable debt securities, (1) premiums would be amortized to the first call date and (2) discounts would be amortized to the maturity date. For more information, see Deloitte's March 23, 2015, and September 17, 2015, journal entries. |
| Clarifying certain existing principles related to the statement of cash flows (EITF Issue 15-F) | The purpose of this project is "to reduce diversity in practice in financial reporting by clarifying certain existing principles in [ASC 230], including providing additional guidance on how and what an entity should consider in determining the classification of certain cash flows." | At its June 18, 2015, meeting, the EITF made tentative decisions regarding the classification of certain cash flows. The EITF continued to discuss other issues related to the classification of cash flows at its September 17, 2015, meeting. For more information, see Deloitte's June 2015 and September 2015 *EITF Snapshot* newsletters. |

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| Conceptual framework: presentation and measurement | The objective of the conceptual framework project is to develop an improved conceptual framework that provides a sound foundation for developing future accounting standards.<br><br>The FASB will look at different aspects of conceptual framework separately, starting with presentation and measurement followed by the liability-equity distinction. | At its July 29, 2015, meeting, the FASB discussed how to describe certain measurement concepts and made tentative decisions regarding presentation, which included:<br>• The definitions of revenues, expenses, gains, and losses would be retained.<br>• The proposed chapter related to presentation in Concepts Statement 8 would acknowledge that (1) "existing standards require or permit classifying some items of comprehensive income in other comprehensive income and later reclassifying them into net income" and (2) "there is no conceptual basis for determining which items qualify for that treatment."<br>• The Board would "[c]larify that FASB Concepts Statement No. 5, *Recognition and Measurement in Financial Statements of Business Enterprises*, does not preclude allocating cash receipts between categories in the cash flow statement based on estimates."<br><br>At its August 26, 2015, meeting, the FASB discussed the types of expenditures and other items that might be included in initial carrying amounts of assets, liabilities, and equity instruments. No decisions were made. |
| Disclosure framework | The disclosure framework project consists of two phases: (1) the FASB's decision process and (2) the entity's decision process. The overall objective of the project is to "improve the effectiveness of disclosures in notes to financial statements by clearly communicating the information that is most important to users of each entity's financial statements. (Although reducing the volume of the notes to financial statements is not the primary focus, the Board hopes that a sharper focus on important information will result in reduced volume in most cases.)" | **FASB's Decision Process**<br>On March 4, 2014, the FASB issued an ED of a proposed concepts statement that would add a new chapter to the Board's conceptual framework for financial reporting. Comments on the ED were due by July 14, 2014. For more information, see Deloitte's March 6, 2014, *Heads Up*.<br><br>At its November 19, 2014, meeting, the FASB tentatively decided to (1) modify the description of materiality in Concepts Statement 8 "to explain that materiality is a legal concept that varies by jurisdiction" and "include the U.S. Supreme Court's description" and (2) "[r]etain the notion that materiality is an entity-specific judgment . . . different from relevance, which is assessed by the Board."<br><br>**Entity's Decision Process**<br>At its April 22, 2015, meeting, the FASB discussed the outreach performed by the staff. The FASB concluded that it had received all information necessary to make an informed decision about the proposed changes related to this issue. The Board decided to send out a draft of decisions made in this phase of the project for external review. In addition, the Board decided that the proposed changes would be effective upon issuance. The proposed changes would be applied prospectively; retrospective application would be optional. For more information, see Deloitte's April 23, 2015, journal entry.<br><br>At its July 29, 2015, meeting, the FASB tentatively decided to add materiality guidance to chapter 3 of Concepts Statement 8 and to ASC 235. In addition, the Board directed the staff to prepare a proposed ASU and a proposed amendment to chapter 3 of Concepts Statement 8 for a vote by written ballot. The FASB expects to issue the proposed ASU in the fourth quarter of 2015. |
| Disclosure framework: disclosure review — defined benefit plans | The purpose of this project is to improve the effectiveness of disclosure requirements that apply to defined benefit plans. | At its June 29, 2015, meeting, the FASB decided to add certain disclosure requirements and to remove others. The FASB expects to issue a proposed ASU in the fourth quarter of 2015. |

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| Disclosure framework: disclosure review — fair value measurement | The purpose of this project is to improve the effectiveness of fair value measurement disclosures. | At its February 18, 2015, meeting, the FASB discussed disclosure issues related to the fair value measurement guidance in ASC 820 and tentatively decided to add a disclosure objective to its proposed concepts statement on the conceptual framework. For more information, see Deloitte's February 20, 2015, journal entry.<br>At its July 9, 2015, meeting, the FASB continued redeliberating fair value measurement disclosure requirements. Specifically, the Board discussed whether to amend existing, and add new, disclosure requirements to ASC 820 regarding uncertainties in fair value measurements. The FASB instructed its staff to request stakeholders' feedback on further categorizing the degree of uncertainty for Level 3 measurements within the fair value hierarchy (e.g., by indicating whether the measurement uncertainty is high or low). For more information, see Deloitte's July 10, 2015, journal entry. |
| Disclosure framework: disclosure review — income taxes | The purpose of this project is to improve the effectiveness of income tax disclosures. | At its February 11, 2015, meeting, the FASB deliberated additional proposed disclosure requirements related to undistributed foreign earnings. The Board directed the staff to prepare examples of the proposed additional disclosures. For more information, see Deloitte's February 12, 2015, journal entry.<br>At its August 26, 2015, meeting, the FASB decided (1) to enhance existing disclosure requirements related to tabular reconciliations of unrecognized tax benefits (UTBs) and (2) not to require entities to disclose the nature and an estimate of the range for a reasonably possible change in the UTB balance in the next 12 months or a statement that an estimate of the range cannot be made. For more information, see Deloitte's August 28, 2015, journal entry. |
| Disclosure framework — interim reporting | The purpose of this project is to improve the effectiveness of interim disclosures. | At its May 28, 2014, meeting, the FASB decided to amend ASC 270 "to reflect that disclosures about matters required to be set forth in annual financial statements should be provided on an updated basis in the interim report if there is a substantial likelihood that the updated information would be viewed by a reasonable investor as significantly altering the 'total mix' of information available to the investor." |
| Disclosure framework — inventory | The purpose of this project is to improve the effectiveness of inventory disclosures. | On January 7, 2015, the FASB directed its staff "to begin pre-agenda research on a potential project related to disclosure requirements for [ASC] 705 and other Topics containing guidance on cost of sales or services when staff resources become available." |
| Financial statements of not-for-profit entities | The purpose of this project is to "reexamine existing standards for financial statement presentation by not-for-profit entities, focusing on improving:<br>1. Net asset classification requirements<br>2. Information provided in financial statements and notes about liquidity, financial performance, and cash flows." | The FASB issued an ED on April 22, 2015. Comments were due by August 20, 2015. For more information, see Deloitte's May 8, 2015, *Heads Up*. |
| Government assistance disclosures | The purpose of this project is to "develop disclosure requirements about government assistance that improves the content, quality and comparability of financial information and financial statements and that is responsive to the emerging issues in the changing financial and economic environment in which reporting entities operate." | At its July 24, 2015, meeting, the FASB tentatively decided on a specific set of disclosure requirements that would apply to legally enforceable agreements in which an entity receives value or benefit from the government. The Board directed the staff to draft a proposed ASU with a 90-day comment period. The proposed ASU is expected to be issued in the fourth quarter of this year. For more information, see Deloitte's July 28, 2015, journal entry. |

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| Improving the presentation of net periodic pension cost and net periodic postretirement benefit cost | The purpose of this project is to "simplify and improve the reporting of net periodic pension cost and net periodic postretirement benefit cost ('net benefit cost')." | At its June 29, 2015, meeting, the FASB discussed (1) improving the presentation of net periodic pension cost and net periodic postretirement benefit cost and (2) potential changes to the disclosures about defined benefit plans that employers are required to provide in their financial statements when applying the disclosure framework. For more information, see Deloitte's July 2, 2015, journal entry. The FASB added this project on July 27, 2015. The Board decided that:<br><br>1. An entity would be required to present service cost in the same line item or items as other current employee compensation costs and present the remaining components of net benefit cost in a separate line item outside operating items, if applicable.<br><br>2. Limit the components of net benefit cost eligible to be capitalized to service cost.<br><br>The Board directed the staff to draft a proposed ASU for a vote by written ballot. The FASB expects to issue the proposal in the fourth quarter of 2015. |
| Simplifying the balance sheet classification of debt | The purpose of this project is to "reduce cost and complexity by replacing the fact-pattern specific guidance in GAAP with a principle to classify debt as current or noncurrent based on the contractual terms of a debt arrangement and an entity's current compliance with debt covenants." | At its January 28, 2015, meeting, the FASB tentatively decided to propose a new, principles-oriented approach for classifying debt as either current or noncurrent in an entity's balance sheet. Further, the Board tentatively decided that an entity should classify debt as noncurrent when either or both of the following conditions are met: (1) the "liability is due to be settled more than 12 months (or beyond the operating cycle)" — whichever is greater — "after the reporting period" or (2) "the entity has a right to defer settlement of the liability for at least 12 months (or beyond its operating cycle [whichever is greater]) after the reporting period." The Board also decided that the meaning of "right to defer" would be based on contractual legal rights rather than on the intentions of the borrower or lender. The presentation assessment would be performed as of the reporting date.<br><br>At its July 29, 2015, meeting, the FASB made tentative decisions related to scope, subjective acceleration clauses, waivers of debt covenant violations, recurring disclosures, and transition. In addition, the Board directed the staff to prepare a proposed ASU for a vote by written ballot. The FASB expects to publish the proposed ASU in the fourth quarter of 2015. For more information, see Deloitte's January 29, 2015, and July 30, 2015, journal entries. |

# Appendix B: Significant Adoption Dates and Deadlines

The chart below illustrates significant adoption dates and deadline dates for FASB/EITF, AICPA, SEC, PCAOB, GASB, FASAB, and IASB/IFRIC standards and proposals. Content recently added or revised is highlighted in green.

| FASB/EITF | Affects | Status |
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| **Final Guidance** | | |
| ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments* (issued September 25, 2015) | Entities that have reported provisional amounts for items in a business combination for which the accounting is incomplete by the end of the reporting period in which the combination occurs and during the measurement period have an adjustment to provisional amounts recognized. | For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The amendments in the ASU should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the ASU; early adoption is permitted for financial statements that have not been issued. For all other entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments in the ASU should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the ASU; early adoption is permitted for financial statements that have not yet been made available for issuance. |
| ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements: Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting* (issued August 18, 2015) | SEC registrants. | Effective upon issuance. |
| ASU 2015-14, *Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date* (issued August 12, 2015) | All entities. | See status column for ASU 2014-09 below. |
| ASU 2015-13, *Application of the Normal Purchases and Normal Sales Scope Exception to Certain Electricity Contracts Within Nodal Energy Markets* — a consensus of the FASB Emerging Issues Task Force (issued August 10, 2015) | All entities. | The amendments in the ASU are effective upon issuance and should be applied prospectively. Therefore, an entity will be able to designate, on or after the date of issuance, any qualifying contracts as normal purchases or normal sales. |
| ASU 2015-12, *(Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient* — consensuses of the FASB Emerging Issues Task Force (issued July 31, 2015) | Applies only to reporting entities within the scope of ASC 962 and ASC 965 that classify investments as fully benefit-responsive investment contracts. | Effective for fiscal years beginning after December 15, 2015. Parts I and II of the ASU should be applied retrospectively to all periods presented. Part III of the ASU should be applied prospectively. Earlier application is permitted. |
| ASU 2015-11, *Simplifying the Measurement of Inventory* (issued July 22, 2015) | All entities. | For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments in the ASU should be applied prospectively, with earlier application permitted as of the beginning of an interim or annual reporting period. |

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| ASU 2015-10, *Technical Corrections and Improvements* (issued June 12, 2015) | All entities. | Amendments requiring transition guidance are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. All other amendments became effective upon issuance of the ASU. |
| ASU 2015-09, *Disclosures About Short-Duration Contracts* (issued May 21, 2015) | All insurance entities that issue short-duration contracts as defined in ASC 944. The amendments do not apply to the holder (i.e., policyholder) of short-duration contracts. | For public business entities, the amendments in the ASU are effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016. For all other entities, the amendments in the ASU are effective for annual periods beginning after December 15, 2016, and interim periods within annual periods beginning after December 15, 2017. Early application is permitted. |
| ASU 2015-08, *Pushdown Accounting: Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115* (issued May 8, 2015) | All entities. | Effective upon issuance. |
| ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* — a consensus of the FASB Emerging Issues Task Force (issued May 1, 2015) | All entities. | For public companies, the guidance in the ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The effective date will be deferred by one year for private companies. Early adoption is permitted. The ASU should be applied retrospectively to all periods presented. |
| ASU 2015-06, *Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions* — a consensus of the FASB Emerging Issues Task Force (issued April 30, 2015) | All entities. | Effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. Early adoption is permitted. The ASU should be applied retrospectively to all financial statements presented. |
| ASU 2015-05, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* (issued April 15, 2015) | All entities. | For public business entities, the amendments in the ASU are effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. For all other entities, the amendments are effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016. Early adoption is permitted for all entities. |
| ASU 2015-04, *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets* (issued April 15, 2015) | All entities. | For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early application is permitted. |
| ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (issued April 7, 2015) | All entities. | For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued. |

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| ASU 2015-02, *Amendments to the Consolidation Analysis* (issued February 18, 2015) | Entities that are required to evaluate whether they should consolidate certain legal entities. | For public business entities, the amendments in the ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption, including adoption in an interim period, is permitted. |
| ASU 2015-01, *Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items* (issued January 9, 2015) | All entities. | Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. |
| ASU 2014-18, *Accounting for Identifiable Intangible Assets in a Business Combination* — a consensus of the Private Company Council (issued December 23, 2014) | All entities except public business entities and not-for-profit entities, as those terms are defined in the Codification Master Glossary. | The effective date depends on the timing of the first in-scope transaction. If the first in-scope transaction occurs in the first fiscal year beginning after December 15, 2015, the elective adoption will be effective for that fiscal year's annual financial reporting and all interim and annual periods thereafter. If the first in-scope transaction occurs in fiscal years beginning after December 15, 2016, the elective adoption will be effective in the interim period that includes the date of that transaction and subsequent interim and annual periods thereafter. Early application is permitted for any interim and annual financial statements that have not yet been made available for issuance. |
| ASU 2014-17, *Pushdown Accounting* — a consensus of the FASB Emerging Issues Task Force (issued November 18, 2014) | Separate financial statements of an acquired entity and its subsidiaries that are a business or nonprofit activity (either public or nonpublic) upon the occurrence of an event in which an acquirer (an individual or an entity) obtains control of the acquired entity. | Effective November 18, 2014. |
| ASU 2014-16, *Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity* — a consensus of the FASB Emerging Issues Task Force (issued November 3, 2014) | Entities that are issuers of, or investors in, hybrid financial instruments that are issued in the form of a share. | For public business entities, the amendments in the ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption, including adoption in an interim period, is permitted. |
| ASU 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern* (issued August 27, 2014) | All entities. | Effective for annual periods ending after December 15, 2016, and interim periods thereafter. Early adoption is permitted. |
| ASU 2014-14, *Classification of Certain Government-Guaranteed Mortgage Loans Upon Foreclosure* — a consensus of the FASB Emerging Issues Task Force (issued August 8, 2014) | Creditors that hold government-guaranteed mortgage loans, including those guaranteed by the Federal Housing Administration and the U.S. Department of Veterans Affairs. | For public business entities, the amendments in the ASU are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For all other entities, the amendments are effective for annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Early adoption, including adoption in an interim period, is permitted if the entity already has adopted ASU 2014-04. |

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| ASU 2014-13, *Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity* — a consensus of the FASB Emerging Issues Task Force (issued August 5, 2014) | A reporting entity that is required to consolidate a collateralized financing entity under the variable interest entities subsections of ASC 810-10 when (1) the reporting entity measures all of the financial assets and the financial liabilities of that consolidated collateralized financing entity at fair value in the consolidated financial statements on the basis of other Codification topics and (2) the changes in the fair values of those financial assets and financial liabilities are reflected in earnings. | For public business entities, the amendments in the ASU are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. For all other entities, the amendments are effective for annual periods ending after December 15, 2016, and interim periods beginning after December 15, 2016. Early adoption is permitted as of the beginning of an annual period. |
| ASU 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period* — a consensus of the FASB Emerging Issues Task Force (issued June 19, 2014) | Reporting entities that grant their employees share-based payments in which the terms of the award stipulate that a performance target that affects vesting could be achieved after the requisite service period. | Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted. The effective date for public business entities is the same as that for all other entities. |
| ASU 2014-11, *Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures* (issued June 12, 2014) | Entities that enter into repurchase-to-maturity transactions or repurchase financings. | For public business entities, the accounting changes in the ASU are effective for the first interim or annual period beginning after December 15, 2014. For all other entities, the accounting changes are effective for annual periods beginning after December 15, 2014, and interim periods beginning after December 15, 2015. Early application for a public business entity is prohibited; however, all other entities may elect to apply the requirements for interim periods beginning after December 15, 2014. |
| ASU 2014-10, *Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* (issued June 10, 2014) | Development-stage entities under U.S. GAAP, and reporting entities that may hold an interest in an entity that is a development-stage entity. | For public entities, the ASU is effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. For other entities, the ASU is effective for annual reporting periods beginning after December 15, 2014, and interim reporting periods beginning after December 15, 2015.<br><br>For public business entities, the amendment eliminating the exception to the sufficiency-of-equity-at-risk criterion for development-stage entities in ASC 810-10-15-16 should be applied retrospectively for annual reporting periods beginning after December 15, 2015, and interim periods therein. For all other entities, the amendments to ASC 810 should be applied retrospectively for annual reporting periods beginning after December 15, 2016, and interim reporting periods beginning after December 15, 2017. Early application is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been made available for issuance. |

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| ASU 2014-09, *Revenue From Contracts With Customers* (issued May 28, 2014; effective date amended by ASU 2015-14, which was issued August 12, 2015) | All entities. | For public business entities, certain not-for-profit entities, and certain employee benefit plans, the ASU is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early application is permitted only as of annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016.<br><br>For all other entities, the ASU is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. All other entities may apply the ASU early as of an annual reporting period beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities also may apply the guidance in the ASU early as of an annual reporting period beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the annual reporting period in which the entity first applies the guidance in the ASU. |
| ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* (issued April 10, 2014) | Entities that have either of the following:<br>1. A component of an entity that either is disposed of or meets the criteria in ASC 205-20-45-1E to be classified as held for sale.<br>2. A business or nonprofit activity that, on acquisition, meets the criteria in ASC 205-20-45-1E to be classified as held for sale. | For public business entities the ASU applies prospectively to all disposals (or classifications as held for sale) that occur in annual periods (and interim periods therein) beginning on or after December 15, 2014. For all other entities, the ASU is effective prospectively for annual periods beginning on or after December 15, 2014, and interim periods thereafter. Early adoption is permitted for any annual or interim period for which an entity's financial statements have not yet been previously issued or made available for issuance. |
| ASU 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements* — a consensus of the Private Company Council (issued March 20, 2014) | All entities other than public business entities, not-for-profit entities, or employee benefit plans within the scope of ASC 960 through ASC 965. | Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which an entity's annual or interim financial statements have not yet been made available for issuance. |
| ASU 2014-05, *Service Concession Arrangements* — a consensus of the FASB Emerging Issues Task Force (issued January 23, 2014) | Operating entities in a service concession arrangement entered into with a public-sector entity grantor when the grantor (1) controls or has the ability to modify or approve the services that the operating entity must provide with the infrastructure, to whom it must provide them, and at what price and (2) controls, through ownership, beneficial entitlement, or otherwise, any residual interest in the infrastructure at the end of the term of the arrangement. | For public business entities, the ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For entities other than public business entities, the ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. The ASU should be applied on a modified retrospective basis to service concession arrangements that exist at the beginning of an entity's fiscal year of adoption. |

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| ASU 2014-04, *Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure* — a consensus of the FASB Emerging Issues Task Force (issued January 17, 2014) | Creditors who obtain physical possession (resulting from an in-substance repossession or foreclosure) of residential real estate property collateralizing a consumer mortgage loan in satisfaction of a receivable. | For public business entities, the ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For entities other than public business entities, the ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. |
| ASU 2014-03, *Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps — Simplified Hedge Accounting Approach* — a consensus of the Private Company Council (issued January 16, 2014) | All entities except (1) public business entities and not-for-profit entities as defined in the Master Glossary of the *FASB Accounting Standards Codification*, (2) employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, and (3) financial institutions. | Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015, with early adoption permitted. Private companies have the option of applying the amendments in this ASU by using either a modified retrospective approach or a full retrospective approach. Early application is permitted for any period for which the entity's financial statements have not yet been made available for issuance. |
| ASU 2014-02, *Accounting for Goodwill* — a consensus of the Private Company Council (issued January 16, 2014) | All entities except (1) public business entities and not-for-profit entities as defined in the Master Glossary of the *FASB Accounting Standards Codification* and (2) employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting. | The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and new goodwill recognized in annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity's annual or interim financial statements have not yet been made available for issuance. |
| ASU 2014-01, *Accounting for Investments in Qualified Affordable Housing Projects* — a consensus of the FASB Emerging Issues Task Force (issued January 15, 2014) | For reporting entities that meet the conditions for, and elect to use, the proportional-amortization method to account for investments in qualified affordable housing projects, all amendments in this ASU apply. For reporting entities that do not meet the conditions or do not elect the proportional-amortization method, only the disclosure-related amendments in this ASU apply. | The amendments in this ASU are effective for public business entities for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. For all entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2014, and interim periods within annual reporting periods beginning after December 15, 2015. Early adoption is permitted. The amendments in this ASU should be applied retrospectively to all periods presented. |
| ASU 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* — a consensus of the FASB Emerging Issues Task Force (issued July 18, 2013) | Entities with unrecognized tax benefits for which a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists as of the reporting date. | Effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. For nonpublic entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2014. Retrospective application is permitted. |
| ASU 2013-05, *Parent's Accounting for the Cumulative Translation Adjustment Upon Derecognition of Certain Subsidiaries or Groups of Assets Within a Foreign Entity or of an Investment in a Foreign Entity* — a consensus of the FASB Emerging Issues Task Force (issued March 4, 2013) | Entities with foreign subsidiaries or foreign investments. | For public entities, the ASU is effective for fiscal years (and interim periods within those fiscal years) beginning after December 15, 2013. For nonpublic entities, the ASU is effective for the first annual period beginning on or after December 15, 2014, and interim and annual periods thereafter. Early adoption will be permitted for both public and nonpublic entities. The ASU should be applied prospectively from the beginning of the fiscal year of adoption. |

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| ASU 2013-04, *Obligations Resulting From Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date* — a consensus of the FASB Emerging Issues Task Force (issued February 28, 2013) | Entities that are jointly and severally liable with other entities. | For public entities, the ASU is effective for fiscal years beginning after December 15, 2013 (and interim reporting periods within those years). For nonpublic entities, the ASU is effective for the first annual period ending on or after December 15, 2014, and interim and annual periods thereafter. The ASU should be applied retrospectively to obligations with joint-and-several liabilities existing at the beginning of an entity's fiscal year of adoption. Entities that elect to use hindsight in measuring their obligations during the comparative periods must disclose that fact. Early adoption is permitted. |
| **Projects in Request-for-Comment Stage** | | |
| Proposed ASU, *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships* — a consensus of the FASB Emerging Issues Task Force (issued August 6, 2015) | Entities with derivative contracts designated in a hedge accounting relationship. | Comments due October 5, 2015. |
| Proposed ASU, *Contingent Put and Call Options in Debt Instruments* — a consensus of the FASB Emerging Issues Task Force (issued August 6, 2015) | Entities that invest in or issue debt instruments containing contingent put or call options. | Comments due October 5, 2015. |
| Proposed ASU, *Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)* (issued August 31, 2015) | All entities. | Comments due October 15, 2015. |
| Proposed ASU, *Revenue From Contracts With Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* (issued September 30, 2015) | All entities. | Comments due November 16, 2015. |
| Proposed ASU, *Intangibles — Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810), and Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance* — a proposal of the Private Company Council (issued September 30, 2015) | Private companies within the scope of the proposed amendments. | Comments due November 16, 2015. |
| Proposed ASU, *Assessing Whether Disclosures Are Material* (issued September 25, 2015) | All entities. | Comments due December 8, 2015. |
| Proposed Amendments Concepts Statement 8, *Conceptual Framework for Financial Reporting — Chapter 3: Qualitative Characteristics of Useful Financial Information* (issued September 24, 2015) | All entities. | Comments due December 8, 2015. |
| **AICPA** | **Affects** | **Status** |
| **Final Guidance** | | |
| SAS 129, *Amendment to Statement on Auditing Standards No. 122 Section 920*, Letters for Underwriters and Certain Other Requesting Parties, *as Amended* (issued July 28, 2014) | Auditors that issue comfort letters. | Effective for comfort letters issued on or after December 15, 2014. Early implementation is encouraged. |
| SAS 128, *Using the Work of Internal Auditors* (issued February 17, 2014) | Auditors. | Effective for audits of financial statements for periods ending on or after December 15, 2014. |
| SSARS 21, *Statements on Standards for Accounting and Review Services: Clarification and Recodification* (issued October 23, 2014) | Entities that perform accounting and review services. | Effective for reviews, compilations, and engagements to prepare financial statements for periods ending on or after December 15, 2015. |

| SEC | Affects | Status |
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| **Final Guidance** | | |
| Final Rule, *Removal of Certain References to Credit Ratings and Amendment to the Issuer Diversification Requirement in the Money Market Fund Rule* (IC-31828) (issued September 16, 2015) | SEC registrants. | Effective October 26, 2015; entities must comply with the final rule by October 14, 2016. |
| Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9911) (issued September 15, 2015) | SEC registrants. | Effective on date of publication in the *Federal Register*. |
| Final Rule, *Designation of the Financial Industry Regulatory Authority to Administer Professional Qualification Tests for Associated Persons of Registered Municipal Advisors* (34-75714) (issued August 17, 2015) | SEC registrants. | Effective August 17, 2015. |
| Final Rule, *Registration Process for Security-Based Swap Dealers and Major Security-Based Swap Participants* (34-75611) (issued August 5, 2015) | Registered security-based swap dealers and registered major security-based swap participants. | Effective October 13, 2015. |
| Final Rule, *Pay Ratio Disclosure* (33-9877) (issued August 5, 2015) | SEC registrants. | Effective for the first fiscal year beginning on or after January 1, 2017. |
| Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9874) (issued August 3, 2015) | SEC registrants. | Effective August 24, 2015. |
| Final Rule, *Freedom of Information Act Regulations: Fee Schedule, Addition of Appeals Time Frame, and Miscellaneous Administrative Changes* (34-75388) (issued July 8, 2015) | SEC registrants. | Effective August 14, 2015. |
| Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9849) (issued June 18, 2015) | SEC registrants. | Effective June 29, 2015. |
| Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9773) (issued May 18, 2015) | SEC registrants. | Effective May 26, 2015. |
| Final Rule, *Adoption of Updated Edgar Filer Manual* (33-9746) (issued April 13, 2015) | SEC registrants. | Effective April 20, 2015. |
| Final Rule, *Amendments to Regulation A* (33-9741) (issued March 25, 2015) | SEC registrants. | Effective June 19, 2015. |
| Final Rule, *Security-Based Swap Data Repository Registration, Duties, and Core Principles* (34-74246) (issued February 11, 2015) | Registered security-based swap dealers and registered major security-based swap participants. | Effective May 18, 2015. |
| Final Rule, *Regulation SBSR — Reporting and Dissemination of Security-Based Swap Information* (34-74244) (issued February 11, 2015) | Registered security-based swap dealers and registered major security-based swap participants. | Effective May 18, 2015. |
| Final Rule, *Asset-Backed Securities Disclosure and Registration* (33-9720) (issued February 3, 2015) | SEC registrants. | Effective February 6, 2015. |
| Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9692) (issued December 18, 2014) | SEC registrants. | Effective December 23, 2014. |
| Final Rule, *Regulation Systems Compliance and Integrity* (34-73639) (issued November 19, 2014) | Certain self-regulatory organizations (including registered clearing agencies), alternative trading systems, plan processors, and exempt clearing agencies. | Effective February 3, 2015. |

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| Final Rule, *Credit Risk Retention* (34-73407) (issued October 22, 2014) | SEC registrants. | Effective February 23, 2015. Compliance with the rule with respect to asset-backed securities collateralized by residential mortgages is required beginning December 24, 2015. Compliance with the rule with regard to all other classes of asset-backed securities is required beginning December 24, 2016. |
| Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9668) (issued October 20, 2014) | SEC registrants. | Effective October 29, 2014. |
| Final Rule, *Asset-Backed Securities Disclosure and Registration* (33-9638) (issued September 4, 2014) | Entities that offer asset-backed securities under the Securities Act of 1933 and the Securities Exchange Act of 1934. | Effective November 24, 2014. |
| Final Rule, *Nationally Recognized Statistical Rating Organizations* (34-72936) (issued August 27, 2014) | Nationally recognized statistical rating organizations. | Effective November 14, 2014, except that the amendments to Sections 240.17g-3(a)(7) and (b)(2) and Form NRSRO become effective on January 1, 2015, and the amendments to Sections 240.17g-2(a)(9), (b)(13), (b)(14), and (b)(15); 240.17g-5(a)(3)(iii)(E), (c)(6), (c)(7), and (c)(8); 240.17g-7(a) and (b); and Form ABS-15G become effective on June 15, 2015. |
| Final Rule, *Money Market Fund Reform; Amendments to Form PF* (33-9616) (issued July 23, 2014) | SEC registrants. | Effective October 14, 2014. |
| Final Rule, *Registration of Municipal Advisors* (34-70462 and 34-71288) (issued September 20, 2013, and January 13, 2014) | Municipal advisers. | Effective July 1, 2014, except that amendatory instruction 11 removing Section 249.1300T becomes effective on January 1, 2015. |
| Final Rule, *Temporary Rule Regarding Principal Trades With Certain Advisory Clients* (IA-3522) (issued December 21, 2012) | SEC registrants. | Effective December 28, 2012, and the expiration date for 17 CFR 275.206(3)-3T is extended to December 31, 2014. |
| Interim Final Temporary Rule, *Extension of Exemptions for Security-Based Swaps* (33-9545) (issued February 5, 2014) | SEC registrants. | Effective February 10, 2014. The expiration dates in Interim Final Rule 240 under the Securities Act of 1933, Interim Final Rules 12a-11 and 12h-1(i) under the Securities Exchange Act of 1934, and Interim Final Rule 4d-12 under the Trust Indenture Act will be extended to February 11, 2017. |
| Interim Final Temporary Rule, *Extension of Temporary Registration of Municipal Advisors* (34-70468) (issued September 23, 2013) | Municipal advisers. | Effective September 30, 2013. The expiration of the effective period of Interim Final Temporary Rule 15BA2-6T and Form MA-T is delayed from September 30, 2013, to December 31, 2014. |
| Final Interpretation, *Interpretation of the SEC's Whistleblower Rules Under Section 21F of the Securities Exchange Act of 1934* (34-75592) (issued August 4, 2015) | SEC registrants. | Effective August 10, 2015. |
| Final Interpretation, *Commission Guidance Regarding the Definition of the Terms "Spouse" and "Marriage" Following the Supreme Court's Decision in United States v. Windsor* (33-9850) (issued June 19, 2015) | SEC registrants. | Effective July 1, 2015. |
| Final Interpretation, *Forward Contracts With Embedded Volumetric Optionality* (34-74936) (issued May 12, 2015) | SEC registrants. | Effective May 18, 2015. |
| **Projects in Request-for-Comment Stage** | | |
| Proposed Rule, *Applications by Security-Based Swap Dealers or Major Security-Based Swap Participants for Statutorily Disqualified Associated Persons to Effect or Be Involved in Effecting Security-Based Swaps* (34-75612) (issued August 5, 2015) | Registered security-based swap dealers and registered major security-based swap participants. | Comments due October 26, 2015. |

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| Proposed Rule, *Access to Data Obtained by Security-Based Swap Data Repositories and Exemption From Indemnification Requirement* (34-75845) (issued September 4, 2015) | SEC registrants. | Comments due October 29, 2015. |
| Proposed Rules, *Amendments to the Commission's Rules of Practice* (34-75976 and 34-75977) (issued September 24, 2015) | SEC registrants. | Comments due 60 days after publication in the *Federal Register*. |
| Proposed Rule, *Open-End Fund Liquidity Risk Management Programs; Swing Pricing; Re-Opening of Comment Period for Investment Company Reporting Modernization Release* (33-9922) (issued September 22, 2015) | SEC registrants. | Comments due 60 days after publication in the *Federal Register*. |
| **PCAOB** | **Affects** | **Status** |
| **Final Guidance** | | |
| Release No. 2015-002, *Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Standards and Rules* (issued March 31, 2015) | Auditors of public entities. | Effective December 31, 2016. Auditors may use and reference the reorganized standards before the effective date, since the amendments do not substantively change the standards' requirements. |
| Auditing Standard 18, *Related Parties, Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions, and Other Amendments to PCAOB Auditing Standards* (issued June 10, 2014) | Auditors of public entities. | Effective for audits of financial statements for fiscal years beginning on or after December 15, 2014, including reviews of interim financial information within those fiscal years. |
| **GASB** | **Affects** | **Status** |
| **Final Guidance** | | |
| GASB Implementation Guide No. 2015-1 (issued August 27, 2015) | Governmental entities. | Effective for reporting periods beginning after June 15, 2015. |
| Statement 77, *Tax Abatement Disclosures* (issued August 14, 2015) | Governmental entities. | Effective for financial statements for periods beginning after December 15, 2015. Early application is encouraged. |
| Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (issued June 29, 2015) | Governmental entities. | Effective for reporting periods beginning after June 15, 2015. Early application is permitted. |
| Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (issued June 29, 2015) | Governmental entities. | Effective for fiscal years beginning after June 15, 2017. Early application is encouraged. |
| Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (issued June 29, 2015) | Governmental entities. | Effective for financial statements for fiscal years beginning after June 15, 2016. Early application is encouraged. |
| Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (issued June 29, 2015) | Governmental entities. | For employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, the Statement is effective for fiscal years beginning after June 15, 2016. For assets accumulated to provide those pensions, the Statement is effective for fiscal years beginning after June 15, 2015.<br>For pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68, the Statement is effective for fiscal years beginning after June 15, 2015. Early application is encouraged. |
| Statement 72, *Fair Value Measurement and Application* (issued March 2, 2015) | Governmental entities. | Effective for fiscal years beginning after June 15, 2015. Early application is encouraged. |

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| **Project in Request-for-Comment Stage** | | |
| Proposed Implementation Guide No. 20XX-X, *Implementation Guide Update — 20XX* (issued September 30, 2015) | Governmental entities. | Comments due November 30, 2015. |
| **FASAB** | **Affects** | **Status** |
| **Final Guidance** | | |
| Statement 47, *Reporting Entity* (issued December 23, 2014) | U.S. federal government entities. | Effective for periods beginning after September 30, 2017. Earlier application is prohibited. |
| Statement 46, *Deferral of the Transition to Basic Information for Long-Term Projections* (issued October 17, 2014) | U.S. federal government entities. | Effective upon issuance. |
| Statement 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use* (issued January 3, 2013) | U.S. federal government entities. | Effective for periods beginning after September 30, 2014. Early application is encouraged. |
| Statement 42, *Deferred Maintenance and Repairs* — amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32 (issued April 25, 2012) | U.S. federal government entities. | Effective for periods beginning after September 30, 2014. Early application is encouraged. |
| Statement 36, *Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government* (issued September 28, 2009) | U.S. federal government entities. | This Statement provides for a phased-in implementation, but early implementation is encouraged. All information will be reported as required supplementary information for the first five years of implementation (fiscal years 2010, 2011, 2012, 2013, and 2014). Beginning in fiscal year 2015, the required information will be presented as a basic financial statement, disclosures, and required supplementary information as designated within the standard. |
| **Project in Request-for-Comment Stage** | | |
| Proposed Technical Release, *Implementation Guidance for Internal Use Software* (issued September 16, 2015) | U.S. federal government entities. | Comments due October 28, 2015. |
| **IASB/IFRIC** | **Affects** | **Status** |
| **Final Guidance** | | |
| *2015 Amendments to the IFRS for SMEs* (issued May 21, 2015) | Small and medium-sized entities reporting under IFRSs. | Effective January 1, 2017. |
| *Disclosure Initiative* — amendments to IAS 1 (issued December 18, 2014) | Entities reporting under IFRSs. | Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. Entities are not required to disclose the information required by paragraphs 28–30 of IAS 8 in relation to these amendments. |
| *Investment Entities: Applying the Consolidation Exception* — amendments to IFRS 10, IFRS 12 and IAS 28 (issued December 18, 2014) | Entities reporting under IFRSs. | Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. If an entity applies those amendments for an earlier period, it must disclose that fact. |
| *Annual Improvements to IFRSs: 2012–2014 Cycle* (issued September 25, 2014) | Entities reporting under IFRSs. | Varies for each IFRS affected. |
| *Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture* — amendments to IFRS 10 and IAS 28 (issued September 11, 2014) | Entities reporting under IFRSs. | Effective prospectively for sales or contributions of assets occurring in annual periods beginning on or after January 1, 2016. Earlier application is permitted. If an entity applies the amendments earlier, it must disclose that fact. |

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| *Equity Method in Separate Financial Statements* — amendments to IAS 27 (issued August 12, 2014) | Entities reporting under IFRSs. | Effective for annual periods beginning on or after January 1, 2016. An entity must apply the amendments retrospectively in accordance with IAS 8. Earlier application is permitted. If an entity applies the amendments to an earlier period, it must disclose that fact. |
| IFRS 9, *Financial Instruments* (issued July 24, 2014) | Entities reporting under IFRSs. | Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. |
| *Agriculture: Bearer Plants* — amendments to IAS 16 and IAS 41 (issued June 30, 2014) | Entities reporting under IFRSs. | Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. |
| IFRS 15, *Revenue From Contracts With Customers* (issued May 28, 2014) | Entities reporting under IFRSs. | Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. |
| *Clarification of Acceptable Methods of Depreciation and Amortisation* — amendments to IAS 16 and IAS 38 (issued May 12, 2014) | Entities reporting under IFRSs. | Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. |
| *Accounting for Acquisitions of Interests in Joint Operations* — amendments to IFRS 11 (issued May 6, 2014) | Entities reporting under IFRSs. | Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. |
| IFRS 14, *Regulatory Deferral Accounts* (issued January 30, 2014) | Entities reporting under IFRSs. | Effective January 1, 2016. Earlier application is permitted. |
| **Projects in Request-for-Comment Stage** | | |
| IASB Exposure Draft ED/2015/7, *Effective Date of Amendments to IFRS 10 and IAS 28* (issued August 10, 2015) | Entities reporting under IFRSs. | Comments due October 9, 2015. |
| IASB Exposure Draft ED/2015/5, *Remeasurement on a Plan Amendment, Curtailment or Settlement/Availability of a Refund From a Defined Benefit Plan* — proposed amendments to IAS 19 and IFRIC 14 (issued June 18, 2015) | Entities reporting under IFRSs. | Comments due October 19, 2015. |
| IASB Exposure Draft ED/2015/3, *Conceptual Framework for Financial Reporting* (issued May 28, 2015) | Entities reporting under IFRSs. | Comments due October 26, 2015. |
| IASB Exposure Draft ED/2015/4, *Updating References to the Conceptual Framework* (issued May 28, 2015) | Entities reporting under IFRSs. | Comments due October 26, 2015. |
| IASB Exposure Draft ED/2015/6, *Clarifications to IFRS 15* (issued July 30, 2015) | Entities reporting under IFRSs. | Comments due October 28, 2015. |
| IASB Request for Views, *2015 Agenda Consultation* (issued August 11, 2015) | Entities reporting under IFRSs. | Comments due December 31, 2015. |

# Appendix C: Glossary of Standards and Other Literature

FASB Accounting Standards Update No. 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments*

FASB Accounting Standards Update No. 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements — Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting*

FASB Accounting Standards Update No. 2015-14, *Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date*

FASB Accounting Standards Update No. 2015-13, *Application of the Normal Purchases and Normal Sales Scope Exception to Certain Electricity Contracts Within Nodal Energy Markets* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2015-12, (Part I) *Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*

FASB Accounting Standards Update No. 2015-11, *Simplifying the Measurement of Inventory*

FASB Accounting Standards Update No. 2015-04, *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets*

FASB Accounting Standards Update No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*

FASB Accounting Standards Update No. 2014-18, *Accounting for Identifiable Intangible Assets in a Business Combination* — a consensus of the Private Company Council

FASB Accounting Standards Update No. 2014-09, *Revenue From Contracts With Customers*

FASB Accounting Standards Update No. 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements* — a consensus of the Private Company Council

FASB Accounting Standards Update No. 2014-03, *Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps — Simplified Hedge Accounting Approach* — a consensus of the Private Company Council

FASB Accounting Standards Update No. 2014-02, *Accounting for Goodwill* — a consensus of the Private Company Council

FASB Proposed Accounting Standards Update, *Intangibles — Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810), and Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance* — a proposal of the Private Company Council

FASB Proposed Accounting Standards Update, *Assessing Whether Disclosures Are Material*

FASB Proposed Accounting Standards Update, *Revenue From Contracts With Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*

FASB Proposed Accounting Standards Update, *Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)*

FASB Proposed Accounting Standards Update, *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships* — a consensus of the FASB Emerging Issues Task Force

FASB Proposed Accounting Standards Update, *Contingent Put and Call Options in Debt Instruments* — a consensus of the FASB Emerging Issues Task Force

FASB Proposed Accounting Standards Update, *Recognition of Breakage for Certain Prepaid Stored-Value Cards* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Codification Topic 825, *Financial Instruments*

FASB Accounting Standards Codification Topic 815, *Derivatives and Hedging*

FASB Accounting Standards Codification Topic 715, *Compensation — Retirement Benefits*

FASB Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers*

FASB Accounting Standards Codification Topic 250, *Accounting Changes and Error Corrections*

FASB Accounting Standards Codification Subtopic 405-20, *Liabilities: Extinguishments of Liabilities*

FASB Concepts Statement No. 8, *Conceptual Framework for Financial Reporting — Chapter 1*, The Objective of General Purpose Financial Reporting*, and Chapter 3,* Qualitative Characteristics of Useful Financial Information — a replacement of FASB Concepts Statements No. 1 and No. 2

FASB Proposed Concepts Statement, *Conceptual Framework for Financial Reporting Chapter 3: Qualitative Characteristics of Useful Financial Information*

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# Appendix D: Abbreviations

| Abbreviation | Definition |
|---|---|
| AICPA | American Institute of Certified Public Accountants |
| ASB | Auditing Standards Board |
| ASC | FASB Accounting Standards Codification |
| ASU | FASB Accounting Standards Update |
| AU-C | U.S. Clarified Auditing Standards |
| BAAS | Bank Accounting Advisory Series |
| BIS | Bank for International Settlements |
| C&DI | compliance and disclosure interpretation |
| CAQ | Center for Audit Quality |
| CFA | chartered financial analyst |
| CFO | chief financial officer |
| CIS | collective investment scheme |
| COLI | corporate-owned life insurance |
| COSO | Committee of Sponsoring Organizations of the Treadway Commission |
| CPE | continuing professional education |
| CVA | credit valuation adjustment |
| DRC | Democratic Republic of the Congo |
| ED | exposure draft |
| EDGAR | Electronic Data Gathering, Analysis, and Retrieval |
| EDT | Eastern Daylight Time |
| EITF | Emerging Issues Task Force |
| ESG | environmental, social, and governance |
| EST | Eastern Standard Time |
| ETF | exchange-traded fund |
| FAF | Financial Accounting Foundation |
| FAQ | frequently asked question |
| FASAB | Federal Accounting Standards Advisory Board |
| FASB | Financial Accounting Standards Board |
| FEI | Financial Executives International |
| FRM | SEC Financial Reporting Manual |
| GAAP | generally accepted accounting principles |
| GAAS | generally accepted auditing standards |
| GAO | Government Accountability Office |
| GASB | Governmental Accounting Standards Board |
| GBE | government business enterprise |
| IAASB | International Auditing and Assurance Standards Board |

| Abbreviation | Definition |
|---|---|
| IAESB | International Accounting Education Standards Board |
| IAS | International Accounting Standard |
| IASB | International Accounting Standards Board |
| IES | International Education Standard |
| IESBA | International Ethics Standards Board for Accountants |
| IFAC | International Federation of Accountants |
| IFIAR | International Forum of Independent Audit Regulators |
| IFRIC | IFRS Interpretations Committee |
| IFRS | International Financial Reporting Standard |
| IIA | Institute of Internal Auditors |
| IIRC | International Integrated Reporting Council |
| IOSCO | International Organization of Securities Commissions |
| IPSA | independent private-sector audit |
| IPSAS | International Public Sector Accounting Standard |
| IPSASB | International Public Sector Accounting Standards Board |
| ISA | International Standard on Auditing |
| M&A | mergers and acquisitions |
| NACD | National Association of Corporate Directors |
| NPNS | normal purchases and normal sales |
| OCC | Office of the Comptroller of the Currency |
| OMB | Office of Management and Budget |
| PCAOB | Public Company Accounting Oversight Board |
| PCC | Private Company Council |
| PEO | principal executive officer |
| PIOB | Public Interest Oversight Board |
| Q&As | questions and answers |
| RPG | recommended practice guideline |
| RSI | required supplementary information |
| SAB | SEC Staff Accounting Bulletin |
| SAS | Statement on Auditing Standards |
| SASB | Sustainability Accounting Standards Board |
| SEC | Securities and Exchange Commission |
| TPA | Technical Practice Aid |
| TRG | transition resource group |
| UTB | unrecognized tax benefit |
| VIE | variable interest entity |
| XBRL | eXtensible Business Reporting Language |

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