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Accounting Roundup

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In This Issue

Welcome to the quarterly edition of *Accounting Roundup*. The first quarter of 2016 was a busy one for the FASB. The Board issued its long-awaited standard on accounting for leases, ASU 2016-02, which introduces a lessee model that brings most leases on the balance sheet and aligns many of the underlying principles of the new lessor model with those in ASU 2014-09, the FASB's new revenue recognition standard. The FASB also released:

- An ASU that amends the guidance in U.S. GAAP on the classification and measurement of financial instruments.
- An ASU that clarifies the principal-versus-agent guidance in the Board's new revenue standard.
- An ASU that changes the effective date and transition guidance in certain private-company ASUs.
- An ASU that simplifies the accounting for share-based payments.
- An ASU that simplifies the equity method of accounting.
- Three ASUs based on EITF consensuses.
- Two proposed ASUs related to employee benefit plans.
- A proposed ASU on certain cash flow classification issues.

In other news, at the 12th annual Life Sciences Accounting and Reporting Congress in Philadelphia, SEC Chief Accountant James Schnurr gave a speech in which he indicated that the SEC staff has observed "a significant and, in some respects, troubling increase . . . in the use of, and nature of adjustments within, non-GAAP measures" as well as their prominence. Mr. Schnurr commented that non-GAAP measures are intended to "supplement . . . and not supplant" the information in the financial statements.

On the international front, the IASB issued its own leasing standard, IFRS 16, which brings most leases on the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Although the FASB's and IASB's leases project was a convergence effort and the boards conducted joint deliberations, the IASB's standard differs from the FASB's in several notable ways. For instance, the IASB's standard has a single lessee accounting model while the FASB's has a dual lessee accounting model.

Note that in this quarterly edition, an asterisk in the article title denotes events that occurred in March or that were not addressed in the January or February 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: First Quarter in Review — 2016*. Take a moment to tell us what you think by sending us an e-mail at accountingstandards@deloitte.com.

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- Tuesday, April 12: Legal Operations Transformation: Innovative Ways to Drive Performance and Mitigate Risk.
- Wednesday, April 20, 3:00 p.m. (EDT): Electronic Payments: What Can Finance Executives Expect in the Year Ahead?
- Wednesday, April 27: M&A Due Diligence: The Board's and Management's Role in Protecting Shareholder Value.
- Wednesday, May 18, 3:00 p.m. (EDT): Robotic Process Automation: The Next Evolution in Finance Operations.
- Thursday, May 26: Cleaning Up Intercompany Accounting: Driving Efficiency While Managing Risk.
- Monday, June 6: The Internet of Things: Why Finance and Tax Need to Stay Connected.
- Wednesday, June 8: Global Economy in Turmoil: A Midyear M&A Outlook.
- Wednesday, June 15: EITF Roundup: Highlights From the June Meeting.
- Wednesday, June 22, 3:00 p.m. (EDT): Finance Analytics Demystified: Unlocking the Value of Data-Driven Decision-Making.
- Tuesday, June 28: Quarterly Accounting Roundup: An Update on Important Developments.
- Thursday, June 30: Outsourcing Assurance and Compliance: Driving Upside Opportunity While Addressing Downside Risk.

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Deloitte Publications

Publication	Title	Affects
March 2016 *TRG Snapshot*	*Summary of Revenue Implementation Issues Discussed to Date*	All entities.
March 2016 *EITF Snapshot*		All entities.
March 31, 2016, *Heads Up*	*FASB Simplifies the Accounting for Share-Based Payments*	All entities.
March 22, 2016, *Heads Up*	*FASB Clarifies the New Revenue Standard's Principal-Versus-Agent Guidance*	All entities.
March 16, 2016, *Heads Up*	*FASB Issues ASUs in Response to EITF Consensuses*	All entities.
March 16, 2016, *Heads Up*	*FASB Changes the Effective Date and Transition Guidance in Certain Private-Company ASUs*	All entities.

March 1, 2016, *Heads Up*	*FASB's New Standard Brings Most Leases Onto the Balance Sheet*	All entities.
March 2016 *Real Estate Spotlight*	*A Walk-Through of the FASB's New Leases Standard*	Real estate entities.
A Roadmap to the Preparation of the Statement of Cash Flows (March 2016)		All entities.
Life Sciences — Accounting and Financial Reporting Update (March 2016)		Life sciences entities.
February 4, 2016, *Heads Up*	*FASB Proposes Guidance on Cash Flow Classification*	All entities.
January 28, 2016, *Heads Up*	*FASB Proposes Guidance on Presentation of Net Periodic Benefit Cost and Disclosures Related to Defined Benefit Plans*	All entities.
January 14, 2016, *Heads Up*	*The New Revenue Standard — Adoption and Transition Observations*	All entities.
January 12, 2016, *Heads Up*	*FASB Amends Guidance on Classification and Measurement of Financial Instruments*	All entities.
Real Estate — Accounting and Financial Reporting Update (January 2016)		Real estate entities.
Power & Utilities — Accounting, Financial Reporting, and Tax Update (January 2016)		Power and utilities entities.
Oil & Gas — Accounting, Financial Reporting, and Tax Update (January 2016)		Oil and gas entities.
A Roadmap to Accounting for Income Taxes (January 2016)		All entities.

Leadership Changes

EITF: On March 2, 2016, the FASB announced the appointment of Mark Scoles to the EITF. Mr. Scoles replaces the late L. Charles Evans and will complete the remainder of Mr. Evans's five-year term.

FASB: On January 29, 2016, the FAF trustees announced that FASB board member Daryl E. Buck will be retiring as of December 31, 2016. Further, on February 23, 2016, the FAF trustees announced that Christine Ann Botosan has been appointed to the FASB for a five-year term beginning on July 1, 2016. In addition, on March 22, 2016, the FASB announced the membership of a transition resource group (TRG) that will discuss implementation issues associated with the Board's upcoming credit losses standard, which is expected to be issued in mid-2016. The new TRG members will include users, preparers, auditors, and regulators.

GASAC: On February 23, 2016, the FAF board of trustees announced that Jacqueline Reck has been appointed vice-chairman of the GASAC to replace James Reardon. Ms. Reck's appointment is effective immediately. The trustees also announced the appointment of Benjamin Barnes to the GASAC.

IASB: On February 12, 2016, the IFRS Foundation trustees announced that Hans Hoogervorst has been reappointed as IASB chairman for a second five-year term beginning on July 1, 2016. The trustees also announced that Ian Mackintosh will be retiring from his position as IASB vice-chairman when his first term ends on June 30, 2016. Further, on February 23, 2016, the trustees announced the reappointment of Takatsugu Ochi for a second three-year term and the retirement of Pat Finnegan, both effective on June 30, 2016.

IFRS Foundation: On March 31, 2016, the IFRS Foundation trustees announced the appointment of Guillermo Babatz as a trustee for a three-year term that began on April 1, 2016, and is renewable for an additional three years.

IFRS Interpretations Committee: On January 5, 2016, the IFRS Foundation trustees announced that three members of the IFRS Interpretations Committee — Tony de Bell, Reinhard Dotzlaw, and Martin Schloemer — have been reappointed to the committee for a second three-year term that begins on July 1, 2016.

SEC: On February 4, 2016, the SEC announced the new members of its Advisory Committee on Small and Emerging Companies.

Accounting — New Standards and Exposure Drafts

Cash Flows

FASB Proposes Guidance on Certain Cash Flow Classification Issues

Affects: All entities.

Summary: On January 29, 2016, the FASB issued a proposed ASU that would amend ASC 230 to add or clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows. While ASC 230 provides some guidance on certain cash payments and receipts that are classified as operating, investing, or financing activities, it lacks consistent principles for evaluating the classification of cash payments and receipts in the statement of cash flows. This has led to diversity in practice and, in certain circumstances, financial statement restatements.

The proposal, which was released in response to an EITF consensus-for-exposure, addresses the following eight cash flow classification issues:

1. Debt prepayment or debt extinguishment costs.
2. Settlement of zero-coupon bonds.
3. Contingent consideration payments made after a business combination.
4. Proceeds from the settlement of insurance claims.
5. Proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies.
6. Distributions received from equity method investees.
7. Beneficial interests in securitization transactions.
8. Separately identifiable cash flows and application of the predominance principle.

Comments on the proposed ASU were due by March 29, 2016.

Other Resources: Deloitte's February 4, 2016, *Heads Up*.

EITF

FASB Issues ASUs in Response to EITF Consensuses*

Affects: All entities.

Summary: In March 2016, the FASB issued the following three ASUs in response to EITF consensuses:

- ASU 2016-04, *Recognition of Breakage for Certain Prepaid Stored-Value Products* — This ASU amends the guidance on extinguishing financial liabilities for certain prepaid stored-value products. If an entity selling prepaid stored-value products expects to be entitled to a breakage amount (i.e., an amount that will not be redeemed), the entity would recognize the effects of the expected breakage "in proportion to the pattern of rights expected to be exercised" by the product holder to the extent that it is probable that a significant reversal of the breakage amount will not subsequently occur. That is, breakage would not be recognized immediately but proportionally as the prepaid stored-value product is being redeemed. Otherwise, the expected breakage would be recognized when the likelihood becomes remote that the holder will exercise its remaining rights.

  For PBEs, the ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For all other entities, it is effective for annual periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption before the effective date of ASC 606. A reporting entity can apply the guidance by using either (1) a modified retrospective transition approach by recording a cumulative-effect adjustment to retained earnings as of the beginning of the annual period of adoption or (2) a full retrospective transition approach.

- ASU 2016-05, *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships* — This ASU clarifies that "a change in the counterparty to a derivative instrument that has been designated as the hedging instrument in an existing hedging relationship would not, **in and of itself**, be considered a termination of the derivative instrument" (emphasis added) or "a change in a critical term of the hedging relationship." As long as all other hedge accounting criteria in ASC 815 are met, a hedging relationship in which the hedging derivative instrument is novated would not be discontinued or need to be redesignated. This clarification applies to both cash flow and fair value hedging relationships.

  For PBEs, the ASU is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. An entity would apply the guidance prospectively unless it elects modified retrospective transition. Early adoption is permitted, including in an interim period.

- ASU 2016-06, *Contingent Put and Call Options in Debt Instruments* — This ASU clarifies that in assessing whether an embedded contingent put or call option is clearly and closely related to the debt host, an entity is required to perform only the four-step decision sequence in ASC 815-15-25-42 (as amended by the ASU). The entity does not have to separately assess whether the event that triggers its ability to exercise the contingent option is itself indexed only to interest rates or credit risk.

  For PBEs, the ASU is effective for financial statements issued for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, it is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. An entity can early adopt the ASU, including in an interim period; however, if the entity early adopts the ASU in an interim period, it should reflect any adjustment as of the beginning of the fiscal year that includes the interim period.

Other Resources: Deloitte's March 16, 2016, *Heads Up*.

Employee Benefit Plans

FASB Proposes Guidance on Presentation of Net Periodic Benefit Cost and Disclosures Related to Defined Benefit Plans

Affects: All entities.

Summary: On January 26, 2016, the FASB issued the following two proposed ASUs related to employee benefit plans:

- *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* — This proposal would require an entity to (1) disaggregate the current service cost component from the other components of net benefit cost and present it with other current compensation costs for the related employees in the income statement and (2) present the remaining components of net benefit cost elsewhere in the income statement and outside of income from operations, if such a subtotal is presented. In addition, the proposal would limit the portion of net benefit cost eligible for capitalization (e.g., as part of inventory or PP&E) to the service cost component.
- *Changes to the Disclosure Requirements for Defined Benefit Plans* — This proposal contains an overall objective for an employer's defined benefit plan disclosures and guidance on how an entity would consider materiality in determining the extent of these disclosures. The proposal would also add to or remove from ASC 715 a number of disclosure requirements related to an entity's defined benefit pension and other postretirement plans.

Editor's Note: The proposal on improving the presentation of net benefit costs was issued in response to stakeholders' concerns that net presentation of net benefit costs combines different elements that users would evaluate differently in analyzing an entity's current and future financial performance. The Board believes that additional costs entities incur in implementing the proposed new disclosure requirements would be offset by cost reductions associated with the elimination of other disclosure requirements as well as the omission of immaterial disclosures.

Next Steps: Comments on both proposals are due by April 25, 2016.

Other Resources: Deloitte's January 28, 2016, *Heads Up*. Also see the press release on the FASB's Web site.

Equity Method

FASB Issues ASU on Simplifying the Equity Method of Accounting*

Affects: All entities.

Summary: On March 15, 2016, the FASB issued ASU 2016-07, which simplifies the equity method of accounting by eliminating the requirement to retrospectively apply the equity method to an investment that subsequently qualifies for such accounting as a result of an increase in the level of ownership interest or degree of influence. Consequently, when an investment qualifies for the equity method (as a result of an increase in the level of ownership interest or degree of influence), the cost of acquiring the additional interest in the investee would be added to the current basis of the investor's previously held interest and the equity method would be applied subsequently from the date on which the investor obtains the ability to exercise significant influence over the investee. The ASU further requires that unrealized holding gains or losses in accumulated other comprehensive income related to an available-for-sale security that becomes eligible for the equity method be recognized in earnings as of the date on which the investment qualifies for the equity method.

Next Steps: The guidance in the ASU is effective for all entities for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years; early adoption is permitted for all entities. Entities are required to apply the guidance prospectively to increases in the level of ownership interest or degree of influence occurring after the ASU's effective date. Additional transition disclosures are not required upon adoption.

Financial Instruments

FASB Amends Guidance on Classification and Measurement of Financial Instruments

Affects: All entities.

Summary: On January 5, 2016, the FASB issued ASU 2016-01, which amends the guidance in U.S. GAAP on the classification and measurement of financial instruments. Although the ASU retains many current requirements, it significantly revises an entity's accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. The ASU also amends certain disclosure requirements associated with the fair value of financial instruments.

> **Editor's Note:** Although the FASB and IASB had been working to converge their respective classification and measurement models (see the FASB's February 2013 ED), the FASB ultimately decided to make only limited changes to existing U.S. GAAP after performing stakeholder outreach and a cost-benefit analysis. Consequently, the ASU's amendments are not converged with IFRSs. The IASB issued final guidance on this topic in July 2014 in the form of amendments to IFRS 9 (see Deloitte's August 8, 2014, *Heads Up* for more information about these amendments).

Next Steps: For PBEs, the new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. For all other entities, including not-for-profit entities and employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, the effective date is in line with the recommendation of the private-company decision-making framework; that is, the guidance is effective for fiscal years beginning one year after the effective date for PBEs (i.e., December 15, 2018) and interim reporting periods within fiscal years beginning two years after the PBE effective date (i.e., December 15, 2019).

Other Resources: Deloitte's January 12, 2016, *Heads Up*. Also see the press release on the FASB's Web site.

Leases

FASB Issues ASU on Leases

Affects: All entities.

Summary: On February 25, 2016, the FASB issued ASU 2016-02, its new standard on accounting for leases. ASU 2016-02 introduces a lessee model that brings most leases on the balance sheet. The new standard also aligns many of the underlying principles of the new lessor model with those in ASC 606, the FASB's new revenue recognition standard (e.g., those related to evaluating when profit can be recognized). Furthermore, the ASU addresses other concerns related to the current leases model. For example, the ASU eliminates the requirement in current U.S. GAAP for an entity to use bright-line tests in determining lease classification. The standard also requires lessors to increase the transparency of their exposure to changes in value of their residual assets and how they manage that exposure.

The new model represents a wholesale change to lease accounting. As a result, entities will face significant implementation challenges during the transition period and beyond, such as those related to:

- Applying judgment and estimating.
- Managing the complexities of data collection, storage, and maintenance.
- Enhancing information technology systems to ensure their ability to perform the calculations necessary for compliance with reporting requirements.
- Refining internal controls and other business processes related to leases.
- Determining whether debt covenants are likely to be affected and, if so, working with lenders to avoid violations.
- Addressing any income tax implications.

Editor's Note: The IASB issued its own leases standard, IFRS 16, in January 2016. Although the leases project was a convergence effort and the boards conducted joint deliberations, there are several notable differences between the two standards. For instance, the IASB's standard has a single lessee accounting model while the FASB's has a dual lessee accounting model.

The primary objective of the leases project was to address the off-balance-sheet financing concerns related to lessees' operating leases. The boards tried to develop an approach that would require all operating leases to be recorded on the balance sheet, but that proved to be no small task. During the deliberations, the boards had to grapple with questions such as (1) whether an arrangement is a service or a lease, (2) what amounts should be initially recorded on the lessee's balance sheet for the arrangement, (3) how to reflect the effects of leases in a lessee's statement of comprehensive income (a point on which the FASB and IASB were unable to converge), and (4) how to apply the resulting accounting in a cost-effective manner.

Next Steps: The new guidance will be effective for PBEs for annual periods beginning after December 15, 2018 (e.g., calendar periods beginning on January 1, 2019), and interim periods therein. For all other entities, the ASU will be effective for annual periods beginning after December 15, 2019 (e.g., calendar periods beginning on January 1, 2020), and interim periods within annual periods beginning after December 15, 2020. Early adoption will be permitted for all entities.

Editor's Note: As companies prepare to issue their annual financial statements, they should consider the guidance in SAB Topic 11.M, which requires SEC registrants to disclose the effect of new pronouncements that have been issued but are not yet effective. Although SAB Topic 11.M applies to SEC registrants, it is considered best practice for nonregistrants to also provide these disclosures.

Other Resources: Deloitte's March 1, 2016, *Heads Up*. Also see the conforming amendments, Basis for Conclusions, press release, *FASB in Focus* newsletter, and cost-benefit analysis on the FASB's Web site.

Private Companies

FASB Changes the Effective Date and Transition Guidance in Certain Private-Company ASUs*

Affects: Private companies.

Summary: On March 7, 2016, the FASB issued ASU 2016-03, which gives private companies a one-time unconditional option to forgo a preferability assessment the first time they elect a private-company accounting alternative within the ASU's scope. It also eliminates the effective dates of private-company accounting alternatives that are within the ASU's scope (i.e., such alternatives may be elected immediately) and extends the transition guidance for such alternatives indefinitely.

The new guidance is effective immediately and affects all private companies within the scope of ASUs 2014-02, 2014-03, 2014-07, and 2014-18. While the new standard extends the transition guidance in ASUs 2014-07 and 2014-18, it does not change the manner in which such guidance is applied.

Other Resources: Deloitte's March 16, 2016, *Heads Up*.

Revenue Recognition

FASB Clarifies the New Revenue Standard's Principal-Versus-Agent Guidance*

Affects: All entities.

Summary: On March 17, 2016, the FASB issued ASU 2016-08, which amends the principal-versus-agent implementation guidance and illustrations in the Board's new revenue standard (ASU 2014-09). The FASB issued the ASU in response to concerns identified by stakeholders, including those related to (1) determining the appropriate unit of account under the revenue standard's principal-versus-agent guidance and (2) applying the indicators of whether an entity is a principal or an agent in accordance with the revenue standard's control principle.

Among other things, the ASU clarifies that an entity should evaluate whether it is the principal or the agent for each specified good or service promised in a contract with a customer. As defined in the ASU, a specified good or service is "a distinct good or service (or a distinct bundle of goods or services) to be provided to the customer." Therefore, for contracts involving more than one specified good or service, the entity may be the principal for one or more specified goods or services and the agent for others.

> **Editor's Note:** The FASB decided to use the term "specified good or service" throughout the principal-versus-agent guidance because it believed that the term "performance obligation" (under step 2 of the new revenue standard) would be confusing in connection with an entity that is an agent. The nature of an agent's promise is to arrange for another party to provide a good or service to a customer; therefore, the agent does not have a performance obligation to supply the underlying good or service to the customer.

Next Steps: The ASU has the same effective date as the new revenue standard (as amended by the one-year deferral and the early adoption provisions in ASU 2015-14). In addition, entities are required to adopt the ASU by using the same transition method they used to adopt the new revenue standard.

Other Resources: Deloitte's March 22, 2016, *Heads Up*.

Share-Based Payment

FASB Simplifies the Accounting for Share-Based Payments*

Affects: All entities.

Summary: On March 30, 2016, the FASB issued ASU 2016-09, which simplifies several aspects of the accounting for employee share-based payment transactions for both public and nonpublic entities, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The new guidance, which is part of the Board's simplification initiative, also contains two practical expedients under which nonpublic entities can use a simplified method to estimate the expected term of an award and make a one-time election to switch from fair value measurement to intrinsic value measurement for liability-classified awards.

> **Editor's Note:** The FASB decided to eliminate the proposed ASU's amendments to the guidance on classification of awards with repurchase features. It decided not to align the classification guidance on put and call rights that are contingent on an event within the employee's control because feedback from some stakeholders indicated that doing so "would not achieve the objective of reducing complexity in classifying awards as equity or liabilities." The Board noted that it may address this issue in the future as part of a project to distinguish equity from liabilities.

Next Steps: For PBEs, the ASU is effective for annual reporting periods beginning after December 15, 2016, including interim periods within those annual reporting periods. For all other entities, the ASU is effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual reporting periods beginning after December 15, 2018.

Other Resources: Deloitte's March 31, 2016, *Heads Up*. Also see the press release on the FASB's Web site.

International

IASB Publishes Amendments to IAS 7

Affects: Entities reporting under IFRSs.

Summary: On January 29, 2016, the IASB published amendments to IAS 7 as part of its disclosure initiative (i.e., projects to improve the effectiveness of financial reporting disclosures). The objective of the amendments is to clarify IAS 7 to improve information provided to financial statement users about an entity's financing activities.

The amendments require that an entity disclose, to the extent necessary to meet the disclosure objective, the following changes in liabilities arising from financing activities:

(a) changes from financing cash flows;

(b) changes arising from obtaining or losing control of subsidiaries or other businesses;

(c) the effect of changes in foreign exchange rates;

(d) changes in fair values; and

(e) other changes.

The IASB defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities." The amendments indicate that the new disclosure requirements also apply to changes in financial assets that meet this definition. The amendments state that one way to meet the new disclosure requirements is to provide "a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities."

Next Steps: The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. Because the amendments are being issued less than one year before the effective date, entities need not provide comparative information when they first apply the amendments.

Other Resources: Deloitte's February 1, 2016, *IFRS in Focus*. Also see the press release on the IASB's Web site.

IASB Publishes Amendments Related to the Recognition of Deferred Tax Assets for Unrealized Losses

Affects: Entities reporting under IFRSs.

Summary: On January 19, 2016, the IASB published amendments to IAS 12. The amendments clarify the following:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes "give rise to a deductible temporary difference [regardless] of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use."

- "The carrying amount of an asset does not limit the estimation of probable future taxable profit."
- Estimates of future taxable profit exclude "tax deductions resulting from the reversal of deductible temporary differences."
- An entity assesses a deferred tax asset in combination with other deferred tax assets. When tax law restricts the utilization of tax losses, an entity assesses a deferred tax asset in combination with other deferred tax assets of the same type.

> **Editor's Note:** Under the FASB's recently amended guidance on classification and measurement of financial instruments in ASU 2016-01, an entity will be required "to evaluate the need for a valuation allowance for a deferred tax asset related to the change in fair value (unrealized losses) of debt instruments recognized in other comprehensive income in combination with the entity's other deferred tax assets."

Next Steps: The amendments are effective for annual periods beginning on or after January 1, 2017; earlier application is permitted. As transition relief, an entity may recognize the change in the opening equity for the earliest comparative period in opening retained earnings on initial application without allocating the change between opening retained earnings and other components of equity.

Other Resources: Deloitte's January 20, 2016, *IFRS in Focus*. Also see the press release on the IASB's Web site.

IASB Issues New Leasing Standard

Affects: Entities reporting under IFRSs.

Summary: On January 13, 2016, the IASB issued IFRS 16, which brings most leases on the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. For lessors, however, the accounting remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 and related interpretations.

Under IFRS 16, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other nonfinancial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if this rate can be readily determined. If the rate cannot be readily determined, the lessee's incremental borrowing rate should be used.

Like IAS 17, IFRS 16 requires lessors to classify leases as operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership of an underlying asset. Otherwise, the lease is classified as an operating lease. For finance leases, a lessor recognizes finance income over the lease term on the basis of a pattern reflecting a constant periodic rate of return on the net investment. For operating leases, a lessor recognizes lease payments as income on a straight-line basis or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis.

Next Steps: IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted if an entity has also applied IFRS 15 (on revenue from contracts with customers).

Other Resources: Deloitte's January 13, 2016, *IFRS in Focus*. Also see the press release on the IASB's Web site.

Non-GAAP Measures

SEC Chief Accountant Discusses Non-GAAP Reporting Issues*

Affects: SEC registrants.

Summary: In a speech at the 12th annual Life Sciences Accounting and Reporting Congress in Philadelphia, SEC Chief Accountant James Schnurr indicated that the SEC staff has observed "a significant and, in some respects, troubling increase . . . in the use of, and nature of adjustments within, non-GAAP measures" as well as their prominence.

Mr. Schnurr commented that non-GAAP measures are intended to "supplement . . . and not supplant" the information in the financial statements. These concerns, as well as the increase in the difference between the amounts reported for GAAP measures and those reported for non-GAAP measures, have led to an increased focus by the SEC staff. He indicated that the staff will continue to be "vigilant in [its] review of the use of these measures for compliance with the rules."

Mr. Schnurr further indicated that the "proliferation of non-GAAP reporting measures . . . should warrant increased focus by management and the audit committee" and suggested that companies should not only comply with the rules but question why "the non-GAAP measure is an appropriate way to measure . . . performance" and provide useful information to investors. He also emphasized that the measure should include "appropriate controls and oversight procedures." Mr. Schnurr's remarks build on recent comments by SEC Chair Mary Jo White at the U.S. Chamber of Commerce 2016 Capital Markets Summit earlier in March, where she indicated that the staff is concerned that the prevalent use of non-GAAP measures in financial reporting may be confusing for investors and analysts and that the staff may consider regulation in this area.

Editor's Note: Registrants should pay close attention to SEC staff guidance and ensure that the non-GAAP measures comply with the disclosure requirements of Regulation S-K, Item 10(e), which requires (1) "a presentation, with equal or greater prominence," of the GAAP measure; (2) a reconciliation to the GAAP measure; and (3) disclosure of the reasons why the non-GAAP measure is useful and its purpose. The staff will continue to challenge (1) registrants that inappropriately present non-GAAP measures with greater prominence than the related GAAP measures, (2) the labeling and nature of adjustments, and (3) non-GAAP measures that are presented in the current period differently from those used in prior period(s).

Post-Implementation Reviews

FAF Completes Post-Implementation Review of FASB Statement 128

Affects: All entities.

Summary: On February 24, 2016, the FAF announced that it has completed its post-implementation review (PIR) of FASB Statement 128, which provided guidance on earnings per share before being codified in ASC 260. The PIR report concludes that Statement 128 has achieved its goals of simplifying the guidance on calculating earnings per share and increasing comparability with IFRSs. Further, the FAF believes that the Statement provides financial statement users with helpful information. The PIR team did not make any recommendations on the basis of its review. The FAF also announced that it will not conduct another PIR for the next few years.

Other Resources: For more information, see the press release on the FAF's Web site as well as the FASB's response letter to the FAF on the FASB's Web site.

Revenue Recognition

The New Revenue Standard — SEC Staff Remarks on TRG Activities

Affects: All entities.

Summary: At the 43rd Annual Securities Regulation Institute (sponsored by the Northwestern Pritzker School of Law), held from January 25–27, 2016, Wesley R. Bricker, deputy chief accountant in the SEC's Office of the Chief Accountant (OCA), spoke about the implementation of the new revenue standard (issued as ASU 2014-09 by the FASB and IFRS 15 by the IASB). His remarks followed a recent announcement that the IASB has completed its decision-making process related to clarifying the new revenue standard and does not plan to schedule any more TRG meetings for IFRS constituents. The following are some key points from Mr. Bricker's remarks on the new revenue standard and the TRG:

- The SEC staff views the new, largely converged revenue standard as an improvement in financial reporting for both domestic and foreign filers.
- The TRG's objective — to solicit, analyze, and publicly discuss stakeholder implementation issues — remains relevant.
- The SEC staff continues to support the TRG as a mechanism to promote more consistent application of the new revenue standard.
- While the IASB will no longer attend TRG meetings, the FASB will continue to address implementation issues and has scheduled three TRG meetings for 2016. Further, TRG meeting participants should be prepared to view matters from a global perspective.
- The SEC staff attends TRG meetings and will use the discussions as a basis to assess the appropriateness of domestic and foreign registrants' revenue recognition policies. Registrants should therefore monitor and consider TRG discussions and meeting minutes (which are available on the standard setters' Web sites) to develop reasonable revenue recognition accounting policies.
- The SEC staff strongly encourages domestic and foreign filers to consult with the OCA if they expect to adopt an accounting policy that is inconsistent with TRG discussions (i.e., in which general agreement was reached and documented in meeting minutes).

XBRL

SEC Approves 2016 U.S. GAAP Financial Reporting Taxonomy*

Affects: All entities.

Summary: On March 8, 2016, the FASB announced that the SEC has approved the 2016 U.S. GAAP Financial Reporting Taxonomy and has updated its EDGAR system to support the new version. The 2016 taxonomy reflects accounting standards issued during the past year as well as other corrections and improvements to the 2015 taxonomy. Changes include the (1) addition of new elements (i.e., XBRL tags), (2) deprecation or replacement of previously existing elements, and (3) modification of element definitions and other attributes.

In addition, the FASB's taxonomy staff has issued 2016 XBRL implementation guides on the following topics:

- Disposal groups and discontinued operations.
- Insurance: concentration of credit risk disclosures.
- Liquidation basis of accounting.

- Measurement-date practical expedient for defined benefit plans.
- Segment reporting.
- Disclosures about offsetting assets and liabilities.
- Other comprehensive income.
- Notional amount disclosures.
- Repurchase-to-maturity transactions and repurchase financings.
- Short-duration insurance contracts.
- Subsequent events.

Other Resources: Deloitte's March 8, 2016, journal entry. Also see the press release on the FASB's Web site.

Auditing Developments

In This Section

AICPA

AICPA Issues Interpretation on Reviews Performed Under Both SSARSs and International Standards

Affects: Entities that perform review engagements.

Summary: On February 18, 2016, the AICPA issued an interpretation of AR-C Section 90 that addresses whether it is permissible for an accountant's independent review report to indicate that a review engagement was conducted under the international standard ISRE 2400 in addition to being conducted under SSARSs. The interpretation concludes that such a statement is allowed as long as the entity complies with both sets of standards.

AICPA Issues SAS Clarifying Format of Auditor's Report

Affects: Auditors.

Summary: In January 2016, the AICPA issued SAS 131, which clarifies how the auditor's report should be formatted when an audit is conducted under PCAOB standards but not within the PCAOB's jurisdiction. Under SAS 131, "[w]hen the auditor refers to the standards of the PCAOB in addition to GAAS in the auditor's report, . . . the auditor [is required] to use the form of report required by the standards of the PCAOB, amended to state that the audit was also conducted in accordance with GAAS."

Next Steps: SAS 131 is effective for financial statement audits for periods ending on or after June 15, 2016. Earlier application is permitted.

Other Resources: For more information, see the executive summary of SAS 131 on the AICPA's Web site.

CAQ

CAQ Releases Cybersecurity Resource

Affects: Audit committees, investors, management, and others.

Summary: In February 2016, the CAQ released a resource that explores the role public-company auditors can play in enhancing cybersecurity. Specifically, the publication addresses cybersecurity-related procedures auditors can perform with respect to audits of entities' (1) financial statements, (2) internal controls over financial reporting, and (3) financial statement disclosures.

CAQ SEC Regulations Committee Releases Highlights of October 21, 2015, Meeting With SEC Staff

Affects: All entities.

Summary: On January 19, 2016, the CAQ posted to its Web site highlights of the October 21, 2015, CAQ SEC Regulations Committee joint meeting with the SEC staff. Topics discussed at the meeting included:

- Update on personnel and organizational developments in the SEC's Division of Corporation Finance.

- Update on Regulation A.
- Issues associated with the implementation of the FASB's and IASB's new revenue standard.
- The interaction between the guidance in ASU 2014-17 on pushdown accounting and the presentation and computation guidance in SEC Regulation S-X, Rule 3-10(i); SAB Topic 6.K; and SAB Topic 1.J.
- Discussion of the guidance in Section 3420 of the SEC Financial Reporting Manual.
- Shelf takedowns and completed and probable business acquisitions that are more than 50 percent significant.

Other Resources: Deloitte's January 22, 2016, journal entry.

CAQ Publishes Report on Audit Quality Indicators

Affects: Auditors.

Summary: On January 12, 2016, the CAQ issued a report in which it shares insights on the potential use of a set of indicators to assess audit quality. The information in the report is based on outreach to audit committees in a series of roundtables as well as pilot testing of the CAQ's publication *CAQ Approach to Audit Quality Indicators*.

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

International

IAASB Revises Standard Related to Engagements to Report on Summary Financial Statements*

Affects: Auditors.

Summary: On March 24, 2016, the IAASB released a revised version of ISA 810, which addresses "the auditor's responsibilities relating to an engagement to report on summary financial statements derived from financial statements audited in accordance with [ISAs] by that same auditor." The amendments "leverage the additional transparency in the auditor's report on the audited financial statements resulting from the IAASB's new and revised Auditor Reporting standards issued in January 2015."

Next Steps: The amendments are effective for engagements to report on summary financial statements for periods ending on or after December 15, 2016.

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

IAASB Releases Publication on Audit Challenges Associated With Expected Credit Loss Models*

Affects: Auditors.

Summary: On March 2, 2016, the IAASB released a publication that addresses the challenges associated with the adoption of expected credit loss (ECL) models, which "are now required, or will soon be required, by some financial reporting frameworks" (e.g., IFRS 9). The publication is divided into two parts:

- *Part A* — Gives an overview of the IAASB's project to amend ISA 540, which provides guidance on auditing accounting estimates.

- *Part B* — Discusses "special audit considerations in addressing loan loss provisions under an ECL model."

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

IAASB Publishes Standards Related to Special-Purpose Financial Statements

Affects: Auditors.

Summary: On January 7, 2016, the IAASB released the following two ISAs on auditor reporting on special-purpose financial statements.

- *ISA 800 (Revised)* — Addresses "special considerations in the application of the ISAs to an audit of financial statements that are prepared in accordance with a special purpose framework."
- *ISA 805 (Revised)* — "[D]eals with special considerations in the application of the ISAs to an audit of a financial statement or a specific element, account, or item of a financial statement."

Next Steps: Both ISAs are effective for financial statement audits for periods ending on or after December 15, 2016.

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

Governmental Accounting and Auditing Developments

FASAB

FASAB Issues Statement on Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials

Affects: Entities applying federal financial accounting standards.

Summary: On January 27, 2016, the FASAB issued Statement 48, which "permits a reporting entity to apply an alternative valuation method in establishing opening balances for inventory, operating materials and supplies, and stockpile materials." The purpose of the Statement is to "provide an alternative valuation method to adoption of GAAP when historical records and systems do not provide a basis for valuation of opening balances in accordance with [FASAB Statement 3]."

Next Steps: Statement 48 is effective for periods beginning after September 30, 2016; early implementation is encouraged.

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

GASB

GASB Issues Guidance on Irrevocable Split-Interest Agreements*

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

Summary: On March 29, 2016, the GASB issued Statement 81, which provides guidance on irrevocable split-interest agreements. The primary goals of Statement 81 are "to improve accounting and financial reporting by establishing recognition and measurement requirements for irrevocable split-interest agreements [created through trusts and] to enhance the transparency and decision-usefulness of general purpose external financial reports, and their value for assessing accountability, by more clearly identifying resources that are available to a government."

Next Steps: Statement 81 is effective for reporting periods beginning after December 15, 2016. Early application is encouraged.

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

GASB Issues Implementation Guide to Clarify Recent Pronouncements*

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

Summary: On March 24, 2016, the GASB issued an implementation guide that contains Q&As clarifying certain aspects of some of its recently issued pronouncements. Although the guide primarily addresses the GASB's standards on fair value and tax abatement disclosures, it also "addresses a wide array of practice issues on other topics that have been brought to the GASB's attention and reinstates certain previously superseded questions and answers that have been updated for the effects of newly issued standards on pensions and other postemployment benefits."

Next Steps: The implementation guide is effective for reporting periods beginning after June 15, 2016.

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

GASB Issues Guidance on Blending Requirements for Certain Component Units

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

Summary: On February 11, 2016, the GASB issued Statement 80, which provides guidance on blending requirements for certain component units. Statement 80 clarifies "how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government." Specifically, such component units must be "blended into the primary state or local government's financial statements in a manner similar to a department or activity of the primary government."

Next Steps: Statement 80 is effective for reporting periods beginning after June 15, 2016. Early application is encouraged.

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

GASB Proposes Guidance on Lease Contracts

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

Summary: On February 8, 2016, the GASB issued an ED on leases that would "establish a single approach for state and local governments to report leases based on the principle that leases are financings of the right to use an underlying asset." The proposal would require lessees "to recognize a lease liability and an intangible asset representing [their] right to use the leased asset," while lessors "would be required to recognize a lease receivable and a deferred inflow of resources." In addition, the ED provides guidance on the accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts, and related-party leases.

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

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

Regulatory and Compliance Developments

SEC

SEC Staff Publishes C&DI Clarifying Shareholder Proposals on Proxy Cards*

Affects: SEC registrants.

Summary: On March 22, 2016, the staff in the SEC's Division of Corporation Finance issued a C&DI that clarifies how a registrant should "describe a Rule 14a-8 shareholder proposal on its proxy card." The guidance states that for both management and shareholder proposals, a proxy card should "clearly identify and describe the specific action on which shareholders will be asked to vote." The guidance also provides examples of proposals that do not meet the requirements in Rule 14a-4(a)(3).

SEC Updates Financial Reporting Manual*

Affects: SEC registrants.

Summary: On March 17, 2016, the SEC's Division of Corporation Finance published an update to its Financial Reporting Manual that contains revisions made as of March 17, 2016. The revisions include:

- *Section 2410.8* — Updates to guidance on significance testing related to equity method investments.
- *Section 10000* — Amendments to conform to the FAST Act.
- *Topic 11* — Addition of implementation guidance related to the FASB's and IASB's new revenue standard.

Other Resources: Deloitte's March 22, 2016, journal entry.

NYSE Adopts Rule Change Requiring Listed Foreign Private Issuers to Submit Semiannual Unaudited Financial Information to the SEC on Form 6-K*

Affects: Foreign private issuers (FPIs).

Summary: On February 19, 2016, the SEC issued a release providing notice of filing and immediate effectiveness of a proposed rule change (the "rule") of the New York Stock Exchange (NYSE) related to financial reporting by FPIs. The rule amends the NYSE Listed Company Manual (the "Manual") to adopt a requirement that NYSE-listed FPIs submit to the SEC a Form 6-K that includes semiannual unaudited financial information. Specifically, the SEC's release indicates that the NYSE has added a new Section 203.03 to the Manual to "provide that each listed [FPI] must, at a minimum, submit to the SEC a Form 6-K that includes (i) an interim balance sheet as of the end of its second fiscal quarter and (ii) a semi-annual income statement that covers its first two fiscal quarters" no later than six months after the issuer's second fiscal quarter. This requirement is effective for fiscal years beginning on or after July 1, 2015. On the basis of this effective date, an affected issuer with a June 30, 2015, year-end would have to furnish semiannual interim financial information on Form 6-K for the period ended December 31, 2015, by June 30, 2016.

The rule further amends the Manual to add that a failure to file a Form 6-K containing the semiannual interim information required by Section 203.03, as discussed above, would constitute a filing delinquency under Section 802.01E of the Manual.

The SEC's release indicates that many FPIs already provide this information on Form 6-K, and Nasdaq-listed issuers are already required to comply with a similar rule. The NYSE's rule change would "ensure that the practice is uniform."

SEC and FDIC Issue Proposed Rule on Covered Broker-Dealer Provisions

Affects: Broker-dealers.

Summary: On February 17, 2016, the SEC and FDIC issued a proposed rule that establishes certain "provisions applicable to the orderly liquidation of covered brokers and dealers." The proposal is being issued in response to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Next Steps: Comments on the proposed rule are due by May 2, 2016.

SEC Publishes Final Rule on Cross-Border Security-Based Swaps

Affects: SEC registrants.

Summary: On February 10, 2016, the SEC issued a final rule related to cross-border security-based swaps. Under the final rule, which is being issued in response to a mandate of the Dodd-Frank Act, "a non-U.S. company that uses personnel located in a U.S. branch or office to arrange, negotiate, or execute a security-based swap transaction in connection with its dealing activity [must] include that transaction in determining whether it is required to register as a security-based swap dealer."

Next Steps: The final rule will become effective on April 19, 2016.

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

SEC Releases Guidance Related to FAST Act

Affects: SEC registrants.

Summary: On January 13, 2016, the SEC issued interim final rules and form amendments to implement certain provisions of the FAST Act, which was signed into law in December 2015. Among other provisions, the rules revise Forms S-1 and F-1 to permit an EGC to omit financial information from registration statements filed before an IPO (or confidentially submitted to the SEC for review) for historical periods required by Regulation S-X if the EGC reasonably believes that it will not be required to include these historical periods at the time of the contemplated offering. The rules and amendments became effective on January 19, 2016.

In addition, in December 2015, the SEC issued a number of C&DIs related to the FAST Act. Topics addressed in the C&DIs include (1) whether, and in what circumstances, an EGC can omit interim financial statements or financial statements of other entities from its registration statement and (2) FAST Act requirements that affect savings and loan companies.

Other Resources: See Deloitte's December 8, 2015, journal entry for more information about the FAST Act's effects on securities laws and regulations. Also see Deloitte's January 15, 2016, journal entry for further details on the interim final rules and January 12, 2016, and December 18, 2015, journal entries for more information about the C&DIs.

SEC Publishes Examination Priorities for 2016

Affects: SEC registrants.

Summary: On January 11, 2016, the SEC's Office of Compliance Inspections and Examinations published its examination priorities for 2016. New priorities include liquidity controls, public pension advisers, product promotion, exchange-traded funds, and variable annuities. Further, the priorities "reflect a continuing focus on protecting investors in ongoing risk areas such as cybersecurity, microcap fraud, fee selection, and reverse churning."

Other Resources: For more information, see the press release on the SEC'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	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."	**Impairment** The Board is deliberating aspects of the current expected credit loss model (CECL) that it exposed for comment in 2012. The Board has tentatively decided that an entity should apply the CECL model for financial assets measured at amortized cost and that modifications would be made to existing impairment guidance related to available-for-sale debt securities. The Board has directed its staff to draft a final ASU, which is expected to be issued during the second quarter of 2016. For public business entities that meet the definition of an SEC filer, the standard is expected to be effective for fiscal years beginning after December 15, 2018, including interim periods therein. For more information, see Deloitte's April 23, 2015, and November 12, 2015, journal entries. **Hedging** The Board is deliberating targeted improvements to the hedge accounting model under U.S. GAAP. At its June 29, 2015, and October 7, 2015, meetings, the Board made a number of tentative decisions that would significantly modify certain aspects of the existing hedge accounting model. The Board has directed its staff to (1) draft a proposed ASU, (2) prepare a cost-benefit analysis related to the proposed amendments, and (3) recommend a comment deadline. At its March 23, 2016, meeting, the Board made tentative decisions about transition. The proposed ASU is expected to be issued during the second quarter of 2016. For more information, see Deloitte's June 30, 2015, and October 16, 2015, journal entries.
Accounting for goodwill impairment	The objective of this project is to "reduce the cost and complexity of the subsequent accounting for goodwill by simplifying the impairment test . . . by removing the requirement to perform a hypothetical purchase price allocation when the carrying value of a reporting unit exceeds its fair value (step 2 of the impairment model in current GAAP)."	On October 28, 2015, the FASB decided to (1) prohibit not-for-profit entities from using the private-company alternative in ASU 2014-02, (2) require entities to write off all goodwill if a reporting unit has a zero or negative carrying value and it is more likely than not that goodwill is impaired, (3) retain current U.S. GAAP presentation requirements, and (4) require prospective application of the simplified impairment test. At its January 6, 2016, meeting, the FASB made tentative decisions about (1) reporting units with zero or negative carrying amounts, (2) disclosures, and (3) transition disclosures. The Board directed its staff to begin drafting a proposed ASU for a vote by written ballot. The proposed ASU is expected to be issued during the second quarter of 2016.
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."	At its October 28, 2015, meeting, the FASB staff updated the Board on its research related to the initial recognition of customer-relationship intangible assets and noncompetition agreements. The Board decided to continue the project and directed the staff to perform additional research.

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

Accounting for income taxes: intra-entity asset transfers	The purpose of this project is to "simplify certain aspects of ASC 740 related to 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."	On January 22, 2015, the FASB issued an ED that proposes (1) "to eliminate the exception in GAAP that prohibits recognizing current and deferred income tax consequences for an intra-entity asset transfer until the asset or assets have been sold to an outside party" and (2) "that an entity recognize the current and deferred income tax consequences of an intra-entity asset transfer when the transfer occurs." Comments on the ED were due by May 29, 2015. At its October 7, 2015, meeting, the Board discussed stakeholders' comments on the ED and instructed the staff to conduct further research.
Accounting for interest income associated with the purchase of callable debt securities	This project aims "to enhance the transparency and usefulness of the information provided in the notes to the financial statements about interest income on purchased debt securities and loans" and "will also consider targeted improvements regarding the accounting for the amortization of premiums 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 the definition of a business (phase 1)	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."	On November 23, 2015, the FASB issued a proposed ASU to help entities evaluate whether to account for transactions as acquisitions (or disposals) of assets or as businesses. Under the proposal, "to be considered a business, a set [of assets and activities] must include, at a minimum, an input and a substantive process that together contribute to the ability to create outputs." Comments on the proposal were due by January 22, 2016. For more information, see Deloitte's December 4, 2015, *Heads Up*.
Clarifying when a not-for-profit entity that is a general partner should consolidate a for-profit limited partnership (or similar entity)	The purpose of this project is to clarify when a not-for-profit entity that is a general partner should consolidate a for-profit limited partnership (or similar entity).	At its December 16, 2015, meeting, the FASB added this project to its agenda. For more information, see Deloitte's December 17, 2015, journal entry. A proposed ASU is expected to be issued in the second quarter of 2016.
Consolidation: interests held through related parties that are under common control	The purpose of this project is to address how a single decision maker that is determining whether it should consolidate another entity "should treat indirect interests held by its related parties when the decision maker and its related parties are under common control."	At its January 20, 2016, meeting, the FASB tentatively decided to amend the guidance in ASC 810-10-25-42 by removing the last sentence that states, "Indirect interests held through related parties that are under common control with the decision maker should be considered the equivalent of direct interests in their entirety." The Board also instructed the staff to evaluate whether any amendments to the guidance in ASC 810-10 that addresses fees paid to decision makers or service providers are needed. The Board directed the staff to draft a proposed ASU for a vote by written ballot. The proposed ASU is expected to be released during the second quarter of 2016.
Clarifying the scope of ASC 610-20 and accounting for partial sales of nonfinancial assets	The purpose of this project is to clarify the scope of ASC 610-20 and the accounting for partial sales of nonfinancial assets.	On January 6, 2016, the Board made tentative decisions related to what types of transactions are partial sales, the partial sales model, the scope of ASC 610-20, and in-substance nonfinancial assets. At its February 17, 2016, meeting, the FASB made tentative decisions related to (1) undivided interests, (2) the unit of account in partial sales transactions, and (3) transition.

Effect of derivative contract novations on existing hedge accounting relationships (EITF Issue 15-D)	The purpose of this project was 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.	On March, 10, 2016, the FASB issued ASU 2016-05, which clarifies that "a change in the counterparty to a derivative instrument that has been designated as the hedging instrument under [ASC] 815 does not, in and of itself, require dedesignation of that hedging relationship provided that all other hedge accounting criteria . . . continue to be met." For public business entities, the amendments in the ASU are effective for annual reporting periods, and interim periods therein, beginning after December 15, 2016. For all other entities, the amendments are effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted. Entities have the option of applying the amendments in the ASU on either a prospective basis or a modified retrospective basis. For more information, see Deloitte's March 16, 2016, *Heads Up*.
Employee share-based payment accounting improvements	The purpose of this project was 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 March 30, 2016, the FASB issued ASU 2016-09, which simplifies several aspects of the accounting for share-based payment award transactions, including income tax consequences, classification of awards as either equity or liabilities, and classification in the statement of cash flows. For public companies, the ASU is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For private companies, the ASU is effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted in any interim or annual period. For more information, see Deloitte's March 31, 2016, *Heads Up*.
Evaluation of contingent put and call options embedded in debt instruments (EITF Issue 15-E)	The purpose of this project was 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."	On March 14, 2016, the FASB issued ASU 2016-06, which clarifies how to assess whether an embedded contingent put or call option is clearly and closely related to a debt host. For public business entities, the amendments are effective for annual reporting periods, and interim periods therein, beginning after December 15, 2016. For all other entities, the amendments are effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted. For more information, see Deloitte's March 16, 2016, *Heads Up*.
Improving the equity method of accounting	The purpose of this project is to simplify the equity method of accounting.	On November 19, 2015, the Board directed its staff to research additional alternatives for improving the equity method of accounting. (Separately, the FASB has decided to simplify the transition to the equity method of accounting.)

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 February 24, 2016, meeting, the Board tentatively decided to require insurers to separately present (1) the carrying amount of the liability for market risk benefits in the statement of financial position and (2) changes in the fair value of that liability (excluding changes in an entity's own credit) in the statement of operations. The FASB also tentatively approved proposed disclosure requirements related to (1) liabilities for future policy benefits, (2) policyholder account balances, (3) market risk benefits, (4) separate account liabilities, and (5) deferred acquisition costs. On March 23, 2016, the Board approved transition methods for the aforementioned disclosure requirements. The Board directed the staff to draft a proposed ASU for a vote by written ballot. The proposed ASU is expected to be issued during the third quarter of 2016. For more information, see Deloitte's November 20, 2014; February 19, 2015; July 24, 2015; September 17, 2015; October 29, 2015; November 20, 2015; February 26, 2016; and March 25, 2016, 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 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 FASB expects to issue a proposed ASU in the second quarter of 2016. For more information, see Deloitte's September 17, 2015, journal entry.
Nonemployee share-based payment accounting improvements	The purpose of this project is "to reduce cost and complexity and improve the accounting for nonemployee share-based payment awards issued by public and private companies."	At its December 16, 2015, meeting, the FASB decided to add this project to its agenda. Board members expressed preferences for alternatives that would expand the scope of ASC 718 to either (1) include share-based payment transactions with nonemployees who provide services that are similar to those provided by employees or (2) include all share-based payment transactions related to acquiring goods or services with nonemployees. For more information, see Deloitte's December 16, 2015, journal entry.
Private companies: effective date and transition guidance (PCC Issue 15-01)	The purpose of this project was 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 March 7, 2016, the FASB issued ASU 2016-03, which gives private companies a one-time unconditional option to forgo a preferability assessment the first time they elect a private-company accounting alternative within the ASU's scope. It also eliminates the effective dates of private-company accounting alternatives that are within the ASU's scope and extends the transition guidance for such alternatives indefinitely. The new guidance is effective immediately and affects all private companies within the scope of ASUs 2014-02, 2014-03, 2014-07, and 2014-18. For more information, see Deloitte's March 16, 2016, *Heads Up*.
Private companies: applying variable interest entity guidance to entities under common control (PCC Issue 15-02)	The purpose of this project is to develop examples of situations in which entities under common control would apply variable interest entity guidance.	At its December 4, 2015, meeting, the PCC voted to add to its agenda a project to address concerns with the application of the variable interest entity guidance to entities under common control that are not already addressed in ASC 810. For more information, see the PCC's agenda decision.

Recognition of breakage for prepaid stored-value cards (EITF Issue 15-B)	The purpose of this project was 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."	On March 8, 2016, the FASB issued ASU 2016-04, which contains a narrow scope exception to the liability derecognition guidance on accounting for the unused portion of a card's prepaid value (commonly referred to as "breakage") and aligns ASC 405-20 with the breakage guidance in ASC 606. For public business entities and certain nonprofit entities and employee benefit plans, the effective date is annual reporting periods, and interim periods therein, beginning after December 15, 2017. For all other entities, the amendments are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted. For more information, see Deloitte's March 16, 2016, *Heads Up*.
Revenue recognition: identifying performance obligations and licenses	The purpose of this project is to clarify the guidance in ASC 606 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. Comments on the proposal were due by June 30, 2015. A final standard is expected to be issued in the second quarter of 2016. The effective date and transition provisions would be aligned with the requirements of ASC 606. For more information, see Deloitte's May 13, 2015, *Heads Up* and October 8, 2015, journal entry.
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 were due by November 16, 2015. On February 10, 2016, the Board reaffirmed most of the amendments in the proposed ASU and directed the staff to draft a final ASU for a vote by written ballot. The final ASU is expected to be issued in the second quarter of 2016. For more information, see Deloitte's February 11, 2016, journal entry.
Revenue recognition: principal versus agent (reporting revenue gross versus net)	The purpose of this project was to address principal-versus-agent considerations related to revenue recognition under ASC 606.	On March 17, 2016, the FASB issued ASU 2016-08, which amends the principal-versus-agent implementation guidance and illustrations in the Board's new revenue standard (ASU 2014-09). The amendments are effective at the same time as those in ASU 2014-09 (as amended by ASU 2015-14). For more information, see Deloitte's March 22, 2016, *Heads Up*.
Simplifying the transition to the equity method of accounting	The purpose of this project was to simplify the accounting for equity method investments.	On March 15, 2015, the FASB issued ASU 2016-07, which simplifies the equity method by eliminating the requirement to apply it retrospectively to an investment that subsequently qualifies for such accounting as a result of an increase in the level of ownership interest or degree of influence. The amendments are effective for annual reporting periods, and interim periods therein, beginning after December 15, 2016. Early adoption is permitted. For more information, see Deloitte's March 16, 2016, journal entry.

Subsequent accounting for goodwill for public business entities and not-for-profit entities	The objective of this project is to "evaluate whether additional changes need to be made to the subsequent accounting for goodwill beyond any changes to the impairment test."	On October 28, 2015, the FASB decided on a phased approach that would simplify the accounting for goodwill for public business entities and not-for-profit entities. This is the second phase. (The purpose of the first phase is to simplify the goodwill impairment test.) The Board plans to continue discussions at a future Board meeting.
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."	In the second quarter of 2016, the FASB expects to release two proposed ASUs that would make technical corrections and improvements. One of the proposed ASUs would address issues related to insurance, troubled debt restructurings, fair value measurements, profit recognition, sales of financial assets, cloud-computing arrangements, and transition guidance. The other would address issues related to revenue recognition. At its March 9, 2016, meeting, the FASB tentatively decided to amend the requirements in ASC 606 related to disclosures about an entity's remaining performance obligations. For more information, see Deloitte's March 11, 2016, journal entry.
Presentation and Disclosure Projects		
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 November 12, 2015, meeting, the EITF reached a consensus-for-exposure regarding the classification in the statement of cash flows of cash receipts and cash payments related to (1) debt prepayments or extinguishment costs, (2) settlement of zero-coupon bonds, (3) settlement of contingent consideration after a business combination, (4) proceeds from the settlement of insurance claims, (5) proceeds from the settlement of corporate-owned life insurance policies, (6) distributions from equity method investees, and (7) payments on a transferor's beneficial interests in securitized trade receivables. The EITF also reached a consensus-for-exposure to provide additional application guidance on the classification of cash flows. On January 29, 2016, the FASB issued an ED based on this consensus-for-exposure. Comments were due by March 29, 2016. For more information, see Deloitte's June 2015, September 2015, and November 2015 *EITF Snapshot* newsletters.
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.	Beginning in 2014, the Board has deliberated presentation and measurement concepts, such as factors for aggregating individual assets, liabilities, equity, revenues, expenses, gains, and losses into line items, principles for subtotals, methods of determining initial carrying amounts and changes in carrying amounts.

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** 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 that contains a decision process for the Board and its staff to use in determining what disclosures should be required in notes to financial statements. Comments on the ED were due by July 14, 2014. For more information, see Deloitte's March 6, 2014, *Heads Up*. On September 24, 2015, the FASB issued an ED of proposed amendments to chapter 3 of Concepts Statement 8 that would add a statement that materiality is a legal concept and include a brief summary of the U.S. Supreme Court's definition of materiality. **Entity's Decision Process** On September 24, 2015, the FASB issued a proposed ASU that would amend the Codification to indicate that the omission of disclosures about immaterial information is not an accounting error. The proposal 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. For more information, see Deloitte's September 28, 2015, *Heads Up*. At its March 2, 2016, meeting, the FASB discussed comments received on the proposed ASU. No decisions were made.
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.	On January 26, 2016, the FASB issued a proposed ASU that would modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. Comments on the proposal are due by April 25, 2016. For more information, see Deloitte's January 28, 2016, *Heads Up*. At its March 2, 2016, meeting, the FASB discussed comments received on the proposed ASU. No decisions were made.
Disclosure framework: disclosure review — fair value measurement	The purpose of this project is to improve the effectiveness of fair value measurement disclosures.	On December 3, 2015, the FASB issued a proposed ASU that would modify the disclosure requirements on fair value measurements. Comments were due by February 29, 2016. For more information, see Deloitte's December 8, 2015, *Heads Up*.
Disclosure framework: disclosure review — income taxes	The purpose of this project is to improve the effectiveness of income tax disclosures.	At its October 21, 2015, meeting, the FASB made tentative decisions regarding income tax disclosure requirements, including those related to (1) income taxes paid, (2) deferred income taxes, (3) valuation allowances, and (4) income tax rate reconciliations. For more information, see Deloitte's August 28, 2015, and October 26, 2015, journal entries. At its March 23, 2016, meeting, the Board reversed certain prior decisions related to line item disclosure of deferred taxes and domestic income tax expense on foreign sourced earnings. The Board decided that private entities did not have to disclose certain information. The Board decided to require prospective transition for all income tax disclosures.
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: 1. Net asset classification requirements 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. On October 28, 2015, the FASB discussed feedback received on the ED and tentatively decided to split its redeliberations into two phases: (1) issues that do not depend on other projects and that the Board would consider finalizing in the near term and (2) proposed changes that the Board would most likely need more time to resolve. A final ASU on issues addressed in the first phase of the project is expected to be issued in the third quarter of 2016. For more information, see Deloitte's May 8, 2015, *Heads Up*. On December 11, 2015, as part of the first phase of its project, the FASB made tentative decisions related to methods of presenting operating cash flows, the net asset classification scheme and related issues, and the provision of useful information for assessing liquidity. At its February 3, 2016, meeting, the FASB made tentative decisions related to (1) netting of external and direct internal investment expenses against investment return, (2) disclosure of netted investment expenses, (3) expenses by nature and analysis of expenses by function and nature, and (4) enhanced disclosures about cost allocations and improved guidance on management and general activities. At its March 2, 2016, meeting, the FASB made tentative decisions on (1) disclosures about operating measures and (2) information that can be used in the assessment of liquidity and resource availability. On March 24, 2016, the FASB decided to keep "the current requirement to report expenses by their functional classification either on the statement of activities or in the notes to the financial statements" and concluded that all expenses (other than netted investment expenses) should be reported "by function and nature in one location." For more information, see Deloitte's December 18, 2015, and March 25, 2016, journal entries.
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."	On November 12, 2015, the FASB issued a proposed ASU that would increase financial reporting transparency by requiring specific disclosures about government assistance received by businesses. The objective of the proposed disclosure requirements is to enable financial statement users to better assess (1) the nature of the government assistance, (2) the accounting policies for the government assistance, (3) the impact of the government assistance on the financial statements, and (4) the significant terms and conditions of the government assistance arrangements. Comments on the proposed ASU were due by February 10, 2016. For more information, see Deloitte's November 20, 2015, *Heads Up*.

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')."	On January 26, 2016, the FASB issued a proposed ASU that would require an entity to (1) disaggregate the current service cost component from the other components of net benefit cost and present it with other current compensation costs for the related employees in the income statement and (2) present the remaining components of net benefit cost elsewhere in the income statement and outside of income from operations, if such a subtotal is presented. In addition, the proposal would limit the portion of net benefit cost eligible for capitalization (e.g., as part of inventory or property, plant, and equipment) to the service cost component. Comments on the proposed ASU are due by April 25, 2016. For more information, see Deloitte's January 28, 2016, *Heads Up*.
Restricted cash (EITF Issue 16-A)	The purpose of this project is to clarify the classification and presentation of changes in restricted cash in the statement of cash flows.	At its March 3, 2016, meeting, the EITF reached a consensus-for-exposure that an entity would include, in its cash and cash-equivalent balances in the statement of cash flows, amounts that are classified as restricted cash and restricted cash equivalents. Further, the Task Force decided that an entity would be required to reconcile, either on the statement of cash flows or in the financial statement footnotes, the cash and cash-equivalent amounts in the statement of cash flows to the amounts in the statement of financial condition. In addition, an entity would be required to disclose the nature and types of restrictions on the amounts deemed to be restricted cash and restricted cash equivalents. The Task Force decided not to define restricted cash and restricted cash equivalents. The Task Force decided that the guidance would be applied retrospectively to all periods presented. The proposed ASU is expected to be issued in the second quarter of 2016. For more information, see Deloitte's March 2016 *EITF Snapshot*.
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. 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 second quarter of 2016. 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
Final Guidance		
ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting* (issued March 30, 2016)	Entities that issue share-based payment awards to their employees.	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, 2016. For all other entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period.
ASU 2016-08, *Revenue From Contracts With Customers: Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)* (issued March 17, 2016)	Entities that enter into contracts with customers to transfer goods or services (that are an output of the entity's ordinary activities) in exchange for consideration.	See status column for ASU 2014-09 below.
ASU 2016-07, *Investments — Equity Method and Joint Ventures: Simplifying the Transition to the Equity Method of Accounting* (issued March 15, 2016)	Entities that have an investment that becomes qualified for the equity method of accounting as a result of an increase in the level of ownership interest or degree of influence.	All entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the adoption of the equity method. Early adoption is permitted.
ASU 2016-06, *Derivatives and Hedging: Contingent Put and Call Options in Debt Instruments* — a consensus of the FASB Emerging Issues Task Force (issued March 14, 2016)	Entities that are issuers of or investors in debt instruments (or hybrid financial instruments that are determined to have a debt host) with embedded call (put) options.	For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2016, 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, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period.
ASU 2016-05, *Derivatives and Hedging: Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships* — a consensus of the FASB Emerging Issues Task Force (issued March 10, 2016)	Reporting entities for which there is a change in the counterparty to a derivative instrument that has been designated as a hedging instrument under ASC 815.	For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2016, 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, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period.
ASU 2016-04, *Liabilities — Extinguishments of Liabilities: Recognition of Breakage for Certain Prepaid Stored-Value Products* — a consensus of the FASB Emerging Issues Task Force (issued March 8, 2016)	Entities that offer certain prepaid stored value products (e.g., prepaid gift cards issued on a specific payment network and redeemable at network-accepting merchant locations, prepaid telecommunication cards, and traveler's checks).	Effective for public business entities, certain not-for-profit entities, and certain employee benefit plans for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early application is permitted, including adoption in an interim period.

ASU 2016-03, *Intangibles — Goodwill and Other; Business Combinations; Consolidation; and Derivatives and Hedging: Effective Date and Transition Guidance* — a consensus of the Private Company Council (issued March 7, 2016)	Private entities.	Effective upon issuance.
ASU 2016-02, *Leases* (issued February 25, 2016)	All entities.	Effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, for any of the following: • Public business entities. • Not-for-profit entities that have issued, or are a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market. • Employee benefit plans that file financial statements with the SEC. For all other entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early application of the amendments in the ASU is permitted for all entities.
ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* (issued January 5, 2016)	Entities that hold financial assets or owe financial liabilities.	For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For all other entities, including not-for-profit entities and employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, the amendments in the ASU are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. All entities that are not public business entities may adopt the amendments in the ASU earlier as of the fiscal years beginning after December 15, 2017, including interim periods within those fiscal years.
ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* (issued November 20, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the amendments in the ASU are effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early application is permitted for all entities as of the beginning of an interim or annual reporting period.

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.
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.
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 2014-16, *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.
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. 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.
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. 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 2014-07, *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.
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.

Projects in Request-for-Comment Stage		
Proposed ASU, *Changes to the Disclosure Requirements for Defined Benefit Plans* (issued January 26, 2016)	All entities.	Comments due April 25, 2016.
Proposed ASU, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (issued January 26, 2016)	All entities.	Comments due April 25, 2016.

AICPA	Affects	Status
Final Guidance		
SAS 131, *Amendment to Statement on Auditing Standards No. 122 Section 700*, Forming an Opinion and Reporting on Financial Statements (issued January 2016)	Auditors.	Effective for financial statement audits for periods ending on or after June 15, 2016.
SAS 130, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements* (issued October 28, 2015)	Auditors that perform integrated audits.	Effective for integrated audits for periods ending on or after December 15, 2016.
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.
Projects in Request-for-Comment Stage		
Exposure Draft, *Proposed Statements on Standards for Accounting and Review Services: Compilation of Prospective Financial Information, Compilation of Pro Forma Financial Information, Omnibus Statement on Standards for Accounting and Review Services — 2016* (issued December 10, 2015)	All entities.	Comments due May 6, 2016.
Exposure Draft, *Omnibus Proposal* (issued November 25, 2015)	All entities.	Comments due May 16, 2016.

SEC	Affects	Status
Final Guidance		
Final Rule, *Security-Based Swap Transactions Connected With a Non-U.S. Person's Dealing Activity That Are Arranged, Negotiated, or Executed by Personnel Located in a U.S. Branch or Office or in a U.S. Branch or Office of an Agent; Security-Based Swap Dealer De Minimis Exception* (34-77104) (issued February 10, 2016)	SEC registrants.	Effective April 19, 2016. Entities must comply with the final rule by the later of (1) February 21, 2017, or (2) the SBS entity counting date, as defined in Section VII of the supplementary information.
Final Rule, *Regulation Systems Compliance and Integrity; Correction* (34-73639A) (issued December 22, 2015)	SEC registrants.	Effective December 30, 2015.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9987) (issued December 11, 2015)	SEC registrants.	Effective January 4, 2016.
Final Rule, *Crowdfunding* (33-9974) (issued October 30, 2015)	SEC registrants.	The final rules and forms are effective May 16, 2016, except that instruction 3 adding part 227 and instruction 14 amending Form ID are effective January 29, 2016.
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 October 2, 2015.
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, *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, *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.
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.

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, *Transfer Agent Regulations* (34-77172, 34-76743) (issued February 18, 2016)	SEC registrants.	Comments due April 14, 2016.
Proposed Rule, *Covered Broker-Dealer Provisions Under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act* (34-77157) (issued February 17, 2016)	SEC registrants.	Comments due May 2, 2016.

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.
Release No. 2015-008, *Improving the Transparency of Audits: Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form and Related Amendments to Auditing Standards* (issued December 15, 2015)	Auditors of public entities.	Subject to approval of the new rules and amendments by the SEC, Form AP disclosure regarding the engagement partner will be required for audit reports issued on or after the later of three months after SEC approval of the final rules or January 31, 2017. Disclosure regarding other accounting firms will be required for audit reports issued on or after June 30, 2017.

GASB	Affects	Status
Final Guidance		
Statement 81, *Irrevocable Split-Interest Agreements* (issued March 29, 2016)	Governmental entities.	Effective for periods beginning after December 15, 2016. Early application is encouraged.
Implementation Guide No. 2016-1, *Implementation Guidance Update — 2016* (issued March 24, 2016)	Governmental entities.	Effective for reporting periods beginning after June 15, 2016.
Statement 80, *Blending Requirements for Certain Component Units* — an amendment of GASB Statement No. 14 (issued February 11, 2016)	Governmental entities.	Effective for reporting periods beginning after June 15, 2016. Early application is encouraged.
Statement 79, *Certain External Investment Pools and Pool Participants* (issued December 23, 2015)	Governmental entities.	Effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Early application is encouraged.
Implementation Guide No. 2015-1 (issued August 27, 2015)	Governmental entities.	Effective for reporting periods beginning after June 15, 2015.
Statement 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* (issued December 11, 2015)	Governmental entities.	Effective for reporting periods beginning after December 15, 2015. Early application is encouraged.

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. 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.
Project in Request-for-Comment Stage		
Proposed Statement, *Leases* (issued February 8, 2016)	All entities.	Comments due May 31, 2016.
FASAB	**Affects**	**Status**
Final Guidance		
Statement 48, *Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials* (issued January 27, 2016)	U.S. federal government entities.	Effective for periods beginning after September 30, 2016. Early implementation is encouraged.
Technical Release 16, *Implementation Guidance for Internal Use Software* (issued January 19, 2016)	U.S. federal government entities.	Effective upon issuance.
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.
IASB/IFRIC	**Affects**	**Status**
Final Guidance		
Disclosure Initiative — amendments to IAS 7 (issued January 29, 2016)	Entities reporting under IFRSs.	The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. Because the amendments are being issued less than one year before the effective date, entities need not provide comparative information when they first apply the amendments.
Recognition of Deferred Tax Assets for Unrealised Losses — amendments to IAS 12 (issued January 19, 2016)	Entities reporting under IFRSs.	The amendments are effective for annual periods beginning on or after January 1, 2017; earlier application is permitted. As transition relief, an entity may recognize the change in the opening equity for the earliest comparative period in opening retained earnings on initial application without allocating the change between opening retained earnings and other components of equity.

IFRS 16, *Leases* (issued January 12, 2016)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, *Revenue From Contracts With Customers*, on or before the date of initial application of IFRS 16.
Effective Date of Amendments to IFRS 10 and IAS 28 (issued December 17, 2015)	Entities reporting under IFRSs.	The effective date of the September 2014 amendments to IFRS 10 and IAS 28 is deferred until "a date to be determined by the IASB." The amendments should be applied prospectively.
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.	The effective date has been deferred until a "date to be determined by the IASB."
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.

Appendix C: Glossary of Standards and Other Literature

FASB Accounting Standards Update No. 2016-09, *Improvements to Employee Share-Based Payment Accounting*

FASB Accounting Standards Update No. 2016-08, *Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)*

FASB Accounting Standards Update No. 2016-07, *Simplifying the Transition to the Equity Method of Accounting*

FASB Accounting Standards Update No. 2016-06, *Contingent Put and Call Options in Debt Instruments* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2016-05, *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2016-04, *Recognition of Breakage for Certain Prepaid Stored-Value Products* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2016-03, *Intangibles — Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810), Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance* — a consensus of the Private Company Council

FASB Accounting Standards Update No. 2016-02, *Leases*

FASB Accounting Standards Update No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*

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

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. 2014-17, *Pushdown Accounting* — a consensus of the FASB Emerging Issues Task Force

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, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*

FASB Proposed Accounting Standards Update, *Changes to the Disclosure Requirements for Defined Benefit Plans*

FASB Proposed Accounting Standards Update, *Classification of Certain Cash Receipts and Cash Payments* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Codification Topic 965, *Plan Accounting — Health and Welfare Benefit Plans*

FASB Accounting Standards Codification Topic 960, *Plan Accounting — Defined Benefit Pension Plans*

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 260, *Earnings per Share*

FASB Accounting Standards Codification Topic 230, *Statement of Cash Flows*

FASB Statement No. 128, *Earnings per Share*

AICPA Statement on Auditing Standards No. 131, *Amendment to Statement on Auditing Standards No. 122 Section 700*, Forming an Opinion and Reporting on Financial Statements

AICPA *Professional Standards*, AR-C Section 9090, "Review of Financial Statements: Accounting and Review Services Interpretation of AR-C Section 90"

AICPA *Professional Standards*, AR-C Section 90, "Review of Financial Statements"

CAQ Resource, *Understanding Cybersecurity and the External Audit*

CAQ Report, *Audit Quality Indicators — The Journey and Path Ahead*

SEC Regulation S-X, Rule 3-10, "Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered"

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SEC and FDIC Proposed Rule Release No. 34-77157, *Covered Broker-Dealer Provisions Under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act*

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*

GASB Statement No. 80, *Blending Requirements for Certain Component Units* — an amendment of GASB Statement No. 14

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FASAB Statement No. 48, *Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials*

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IFRS 16, *Leases*

IFRS 15, *Revenue From Contracts With Customers*

IFRS 9, *Financial Instruments*

IAS 17, *Leases*

IAS 12, *Income Taxes*

IAS 7, *Statement of Cash Flows*

IASB Amendments, *Recognition of Deferred Tax Assets for Unrealised Losses* — amendments to IAS 7

IASB Amendments, *Disclosure Initiative* — amendments to IAS 7

ISA 805 (Revised), *Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*

ISA 810 (Revised), *Engagements to Report on Summary Financial Statements*

ISA 800 (Revised), *Special Considerations — Audits of Financial Statements Prepared in Accordance With Special Purpose Frameworks*

ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*

ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*

IAASB Publication, *An Update on the Project and Initial Thinking on the Auditing Challenges Arising From the Adoption of Expected Credit Loss Models*

Appendix D: Abbreviations

Abbreviation	Definition
AICPA	American Institute of Certified Public Accountants
AR-C	U.S. Clarified Accounting and Review Services Standards
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
C&DIs	SEC Compliance and Disclosure Interpretations
CAQ	Center for Audit Quality
CPE	continuing professional education
ECL	expected credit loss
ED	exposure draft
EDGAR	SEC's Electronic Data Gathering, Analysis, and Retrieval system
EDT	Eastern Daylight Time
EGC	emerging growth company
EITF	Emerging Issues Task Force
FAF	Financial Accounting Foundation
FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
FAST	Fixing America's Surface Transportation
FDIC	Federal Deposit Insurance Corporation
FPI	foreign private issuer
GAAP	generally accepted accounting principles
GAAS	generally accepted auditing standards
GASAC	Governmental Accounting Standards Advisory Council
GASB	Governmental Accounting Standards Board
IAASB	International Auditing and Assurance Standards Board

Abbreviation	Definition
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFAC	International Federation of Accountants
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standard
IPO	initial public offering
ISA	International Standard on Auditing
ISRE	International Standard on Review Engagements
M&A	mergers and acquisitions
NYSE	New York Stock Exchange
OCA	Office of the Chief Accountant
PBE	public business entity
PCAOB	Public Company Accounting Oversight Board
PIR	post-implementation review
PP&E	property, plant, and equipment
Q&As	questions and answers
SAB	SEC Staff Accounting Bulletin
SAS	Statement on Auditing Standards
SEC	Securities and Exchange Commission
SSARS	Statement on Standards for Accounting and Review Services
TRG	transition resource group
XBRL	eXtensible Business Reporting Language

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