Quarterly Accounting Roundup

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To our clients, colleagues, and other friends:

Welcome to Quarterly Accounting Roundup: Year in Review — 2017. Notable standards issued by the FASB in 2017 include Accounting Standards Updates (ASUs) that:

- Clarify the definition of a business.
- Amend the scope of modification accounting for share-based payment arrangements.
- Amend the guidance on presentation of net periodic benefit cost related to defined benefit plans.
- Amend the guidance on derecognition and partial sales of nonfinancial assets.
- Simplify the goodwill impairment test.
- Make targeted improvements to the hedge accounting requirements.

The FASB also recently released (in September 2017) two proposed ASUs related to its new leasing standard, ASU 2016-02. These proposals would (1) amend the new standard’s transition requirements for land easements and (2) make a number of technical corrections and improvements to the standard. Further, at its November 29, 2017, meeting, the Board tentatively decided to amend certain aspects of ASU 2016-02 in an attempt to reduce the costs of implementing the standard.
Another significant standard-setting development was the PCAOB’s release of a new auditor reporting standard that significantly modifies the auditor’s reporting model. While the standard retains the current “pass/fail” approach, it also significantly increases the information included in auditors’ reports.

On the regulatory front, the SEC recently released a proposed rule that would make specific revisions to a limited group of items in Regulation S-K and is intended to streamline and improve disclosures.

The AICPA held its annual Conference on Current SEC and PCAOB Developments in early December. During the conference, representatives from the SEC, PCAOB, FASB, IASB, and other organizations provided updates on new developments, regulations, and current priorities. Dominating the conversation at this year’s conference were the FASB’s new standards on revenue recognition, leases, and credit losses as well as the PCAOB’s new auditor reporting model.

For more information about the conference, see Deloitte’s December 10, 2017, *Heads Up*.

Perhaps the biggest international accounting news was the release of the IASB’s insurance contracts standard, IFRS 17, which supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation, and disclosure of these contracts. Brexit also continues to grab headlines, as entities continue to assess the potential implications of the United Kingdom’s (UK’s) decision to withdraw from the European Union (EU).

Quarterly Accounting Roundup: Year in Review — 2017 summarizes final guidance that affects reporting and disclosures for the coming reporting season. With the exception of fourth-quarter developments, proposed guidance is not included. For more information about earlier proposals, please see issues of Quarterly Accounting Roundup for the first three quarters of 2017.

In addition, note that in this year-end edition, an asterisk in the article title denotes events that occurred in the fourth quarter, including updates to previously reported topics, or that were not addressed in previous 2017 issues of Quarterly Accounting Roundup. Events without asterisks were covered in previous issues.

Also, please note that this year-end edition includes, for the first time, a section that briefly summarizes previously issued FASB and IASB standards that are becoming mandatorily effective for public business entities (PBEs) in the coming quarter.

We value your feedback and would appreciate any comments you may have on Quarterly Accounting Roundup. Take a moment to tell us what you think by sending us an e-mail at accountingstandards@deloitte.com.

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Featured Deloitte Publications

In the fourth quarter of 2017, Deloitte issued the following new or updated Roadmaps:

- **A Roadmap to Accounting for Income Taxes** (updated) — This Roadmap provides Deloitte's insights into and interpretations of the income tax accounting guidance in ASC 740 and IFRSs. In this updated edition, new guidance has been added, examples related to some of the guidance from the previous edition have been added or substantively revised, and minor clarifications have been made to existing guidance to improve its clarity.

- **A Roadmap to Accounting for Contracts on an Entity's Own Equity** (updated) — The 2017 edition provides an overview of the guidance in ASC 815-40 as well as insights into and interpretations of how to apply it in practice. For ease of reference, we have accompanied our discussion with the related authoritative text. This edition reflects changes to the guidance introduced by the FASB's issuance of ASU 2017-11 in July 2017.

- **A Roadmap to Accounting for Contracts on an Entity's Own Equity** (updated) — This Roadmap provides Deloitte's insights into and interpretations of the accounting guidance on reporting discontinued operations in ASC 205-20.

- **A Roadmap to Accounting for Share-Based Payment Awards (Upon Adoption of ASUs 2016-09 and 2017-09)** (updated) — This Roadmap provides Deloitte's insights into and interpretations of the guidance on share-based payment arrangements in ASC 718 (employee awards) and ASC 505-50 (nonemployee awards) as well as in other literature (e.g., ASC 260 and ASC 805).

- **A Roadmap to Non-GAAP Financial Measures** (updated) — This Roadmap is intended to help registrants assess the appropriateness of their non-GAAP measures.

- **A Roadmap to Segment Reporting** (new) — This Roadmap provides Deloitte's insights into and interpretations of the guidance in ASC 280.

- **A Roadmap to Accounting for Asset Acquisitions** (new) — This Roadmap provides Deloitte's insights into and interpretations of the guidance on accounting for an acquisition of an asset, or a group of assets, that does not meet the U.S. GAAP definition of a business in ASC 805-10.

- **A Roadmap to Applying the New Revenue Recognition Standard** (updated) — This Roadmap provides Deloitte's insights into and interpretations of the accounting guidance under the new revenue standard as codified in ASC 606, ASC 610-20, and ASC 340-40. The 2017 edition contains new interpretations and guidance as a result of FASB, TRG, SEC, and AICPA activity as well as developments in practice since publication of the 2016 edition of this Roadmap. Appendix I of the Roadmap summarizes the changes made in the 2017 edition.

Other notable Deloitte publications released in 2017 include (1) the updated edition of [SEC Comment Letters — Including Industry Insights](#); (2) [Heads Up](#) newsletters on implementation of the FASB's new revenue standard ([November 21, 2017](#)), the FASB's issuance of a standard to bring targeted improvements to hedge accounting ([August 30, 2017](#)), and FAQs regarding the Board's new leasing standard ([April 25, 2017](#)); and (3) [Financial Reporting Alert](#) newsletters on financial reporting considerations related to pensions and other postretirement benefits ([November 8, 2017](#)) and financial reporting implications of disasters ([September 20, 2017](#)).
Accounting — Newly Effective Standards for Public Business Entities

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Business Combinations

FASB ASU 2017-01 Clarifies the Definition of a Business

Affects: All entities.

Summary: The FASB issued ASU 2017-01 on January 13, 2017, to clarify the definition of a business in ASC 805. The FASB issued the ASU in response to stakeholder feedback that the definition of a business in ASC 805 is being applied too broadly. In addition, stakeholders said that analyzing transactions under the current definition is difficult and costly. The ASU’s amendments are intended to make application of the guidance more consistent and cost-efficient.

Next Steps: The ASU is effective for PBEs in annual periods beginning after December 15, 2017, including interim periods therein. For all other entities, the ASU is effective in annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The ASU must be applied prospectively on or after the effective date, and no disclosures for a change in accounting principle are required at transition. Early adoption is permitted for transactions (i.e., acquisitions or dispositions) that occurred before the issuance date or effective date of the standard if the transactions were not reported in financial statements that have been issued or made available for issuance.

Other Resources: Deloitte’s January 13, 2017, Heads Up and A Roadmap to Accounting for Asset Acquisitions.

Compensation

FASB ASU 2017-09 Amends the Scope of Modification Accounting for Share-Based Payment Arrangements

Affects: All entities.

Summary: The FASB issued ASU 2017-09 on May 10, 2017, to amend the scope of modification accounting for share-based payment arrangements. The ASU provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting under ASC 718. Specifically, an entity would not apply modification accounting if the fair value, vesting conditions, and classification of the awards are the same immediately before and after the modification.

Next Steps: For all entities, the ASU is effective for annual reporting periods, including interim periods within those annual reporting periods, beginning after December 15, 2017. Early adoption is permitted, including adoption in any interim period. The ASU’s amendments should be applied prospectively to awards modified on or after the effective date. Transition disclosures are not required, because modifications typically are not recurring events for most entities.

Other Resources: Deloitte’s May 11, 2017, Heads Up and A Roadmap to Accounting for Share-Based Payment Awards (upon adoption of ASUs 2016-09 and 2017-09).
FASB ASU 2017-07 Amends Guidance on Presentation of Net Periodic Benefit Cost Related to Defined Benefit Plans

**Affects:** All entities.

**Summary:** ASU 2017-07, which was issued on March 10, 2017, amends the requirements in ASC 715 related to the income statement presentation of the components of net periodic benefit cost for an entity's sponsored defined benefit pension and other postretirement plans. Specifically, ASU 2017-07 requires entities to (1) disaggregate the current-service-cost component from the other components of net benefit cost (the “other components”) and present it with other current compensation costs for related employees in the income statement and (2) present the other components elsewhere in the income statement and outside of income from operations if such a subtotal is presented. The ASU also requires entities to disclose the income statement lines that contain the other components if they are not presented on appropriately described separate lines.

**Next Steps:** The ASU's amendments are effective for PBEs for annual periods, including interim periods therein, beginning after December 15, 2017. For other entities, the amendments are effective for annual periods beginning after December 15, 2018, and interim periods in the subsequent annual period. Early adoption is permitted as of the beginning of any annual period for which an entity's financial statements (interim or annual) have not been issued or made available for issuance (i.e., an entity should early adopt the amendments within the first interim period if it issues interim financial statements).


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**FASB ASU 2016-01 Amends Guidance on Classification and Measurement of Financial Instruments**

**Affects:** All entities.

**Summary:** The FASB issued ASU 2016-01 on January 5, 2016, to amend 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.

**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 (NFPS) and employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, 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).

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4 FASB Accounting Standards Update No. 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost.

Early adoption is permitted for all entities whose financial statements have not yet been issued or have not been made available for issuance with respect to the following changes made to ASC 825:

- For financial liabilities measured under the fair value option, fair value changes resulting from a change in instrument-specific credit risk would be presented separately in other comprehensive income.
- The fair value disclosure requirements for financial instruments not recognized at fair value would be eliminated for non-PBEs.

Early adoption of other provisions is not permitted for PBEs. Non-PBEs are permitted to early adopt the new standard when it becomes effective for PBEs (i.e., fiscal years beginning after December 15, 2017, including interim periods therein).

**Other Resources:** Deloitte’s January 12, 2016, *Heads Up.*

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**FASB ASU 2016-04 on Recognition of Breakage for Certain Prepaid Stored-Value Products**

**Affects:** All entities.

**Summary:** The FASB issued ASU 2016-04[^6] on March 16, 2016, in response to a consensus reached at the EITF’s November 2015 meeting. The 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 will 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, an entity would not recognize breakage immediately but rather 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.

**Next Steps:** 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 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.

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

Income Taxes

FASB ASU 2016-16 Simplifies Accounting for Intra-Entity Asset Transfers

**Affects:** All entities.

**Summary:** The FASB issued ASU 2016-16 on October 24, 2016, to remove the prohibition in ASC 740 against the immediate recognition of the current and deferred income tax effects of intra-entity transfers of assets other than inventory. The ASU, which is part of the Board’s simplification initiative, is intended to reduce the complexity of U.S. GAAP and diversity in practice related to the tax consequences of certain types of intra-entity asset transfers, particularly those involving intellectual property.

**Next Steps:** For PBEs, the ASU is effective for annual periods beginning after December 15, 2017, and interim periods within those annual periods. For all other entities, the ASU is effective for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted for all entities as of the beginning of a fiscal year for which neither the annual or interim (if applicable) financial statements have been issued. If an entity chooses to early adopt the amendments in the ASU, it must do so in the first interim period of its annual financial statements (if the entity issues interim financial statements). That is, an entity cannot adopt the amendments in the ASU in a later interim period and apply them as if they were in effect as of the beginning of the year.

Entities should apply the ASU’s amendments on a modified retrospective basis, recognizing the effects in retained earnings as of the beginning of the year of adoption.

**Other Resources:** Deloitte’s October 25, 2016, Heads Up and A Roadmap to Accounting for Income Taxes.

Nonfinancial Assets

FASB ASU 2017-05 Amends Guidance on Derecognition and Partial Sales of Nonfinancial Assets

**Affects:** All entities.

**Summary:** The FASB issued ASU 2017-05 on February 22, 2017, to clarify the scope of the Board’s guidance on nonfinancial asset derecognition (ASC 610-20) as well as the accounting for partial sales of nonfinancial assets. The ASU conforms the derecognition guidance on nonfinancial assets with the model for transactions in the new revenue standard (ASC 606, as amended). The FASB issued the ASU in response to stakeholder feedback indicating that (1) the meaning of the term “in-substance nonfinancial asset” is unclear because the Board’s new revenue standard does not define it and (2) the scope of the guidance on nonfinancial assets is confusing and complex and does not specify how a partial sales transaction should be accounted for or which model entities should apply.

**Next Steps:** The effective date of the new guidance is aligned with the requirements in the new revenue standard, which is effective for public companies for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017, and for nonpublic companies for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. If the entity decides to early adopt the ASU’s guidance, it must also early adopt ASC 606 (and vice versa).

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7 FASB Accounting Standards Update No. 2016-16, Intra-Entity Transfers of Assets Other Than Inventory.
8 FASB Accounting Standards Update No. 2017-05, Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets.
Revenue

FASB and IASB Revenue Standard (ASU 2014-09 and IFRS 15)

Affects: All entities.

Summary: The FASB and IASB issued their final standard on revenue recognition on May 28, 2014. The standard, issued as ASU 2014-09 by the FASB and as IFRS 15 by the IASB, outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance.

The core principle of the revenue model is that “an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.” In applying the revenue model to contracts within its scope, an entity will:

• Identify the contract(s) with a customer (step 1).
• Identify the performance obligations in the contract (step 2).
• Determine the transaction price (step 3).
• Allocate the transaction price to the performance obligations in the contract (step 4).
• Recognize revenue when (or as) the entity satisfies a performance obligation (step 5).

The FASB has also released the following additional ASUs to amend certain provisions of ASU 2014-09 or make conforming amendments to related SEC guidance:

• ASU 2017-14 (issued November 22, 2017) — Amends various paragraphs in ASC 220 (on reporting comprehensive income in the income statement), ASC 605 (on revenue recognition), and ASC 606 (on revenue from contracts with customers) that contain SEC guidance. The amendments include superseding ASC 605-10-S25-1 (SAB Topic 13) as a result of Staff Accounting Bulletin No. 116 (SAB 116) and adding ASC 606-10-S25-1 as a result of SEC Release 33-10403.
• ASU 2016-20 (issued December 21, 2016) — Makes certain technical corrections (i.e., minor changes and enhancements) to the new revenue standard on various topics.
• ASU 2016-12 (issued May 9, 2016) — Amends certain aspects of ASU 2014-09 to address certain implementation issues identified by the transition resource group (TRG) for revenue recognition. These issues include (1) collectibility, (2) presentation of sales tax and other similar taxes collected from customers, (3) noncash consideration, (4) contract modifications and completed contracts at transition, and (5) transition technical correction.
ASU 2016-11\(^{16}\) (issued May 3, 2016) — Rescinds certain revenue-related SEC guidance from the FASB Accounting Standards Codification upon the adoption of ASU 2014-09, including (1) revenue and expense recognition for freight services in process (ASC 605-20-S99-2), (2) accounting for shipping and handling fees and costs (ASC 605-45-S99-1), (3) accounting for consideration given by a vendor to a customer (ASC 605-50-S99-1), and (4) accounting for gas-balancing arrangements (ASC 932-10-S99-5).

ASU 2016-10\(^{17}\) (issued April 14, 2016) — Amends certain aspects of the new revenue standard’s guidance on identifying performance obligations and the implementation guidance on licensing. The amendments in this ASU reflect feedback received by the TRG.

ASU 2016-08\(^{18}\) (issued March 17, 2016) — Amends the principal-versus-agent implementation guidance and illustrations in ASU 2014-09. The FASB issued ASU 2016-08 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.

Next Steps: ASU 2015-14\(^{19}\) (issued August 12, 2015) deferred the original effective date of ASU 2014-09 by one year for all entities and permitted early adoption on a limited basis. Specifically:

- For PBEs, ASU 2014-09 is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early adoption is permitted as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within those annual periods.

- For nonpublic entities, ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Nonpublic entities can also elect to early adopt the standard as of the following:
  - Annual reporting periods beginning after December 15, 2016, including interim periods.
  - Annual reporting periods beginning after December 15, 2016, and interim periods within annual reporting periods beginning one year after the annual reporting period in which the new standard is initially applied.

Entities have the option of using either a full retrospective or a modified approach to adopt the guidance in the ASU:

- **Full retrospective application** — Retrospective application would take into account the requirements in ASC 250 (with certain practical expedients).

- **Modified retrospective application** — Under the modified approach, an entity recognizes “the cumulative effect of initially applying [the ASU] as an adjustment to the opening balance of retained earnings . . . of the annual reporting period that includes the date of initial application” (revenue in periods presented in the financial statements before that date is reported under guidance in effect before the change). Under the modified approach, the guidance in the ASU is only applied to existing contracts (those for which the entity has remaining performance obligations) as of, and new contracts after, the date of initial application. The ASU is not applied to contracts that were completed before the effective date (i.e., an entity has no remaining performance obligations).
obligations to fulfill). Entities that elect the modified approach must disclose an explanation of the impact of adopting the ASU, including the financial statement line items and respective amounts directly affected by the standard’s application.

**Other Resources:** Deloitte resources on the FASB’s standard include *A Roadmap to Applying the New Revenue Recognition Standard* and the *November 21, 2017; September 5, 2017; May 9, 2017; May 11, 2016 (ASU 2016-12); April 15, 2016 (ASU 2016-10); March 22, 2016 (ASU 2016-08); and May 28, 2014 (ASU 2014-09), Heads Up newsletters. For more information about IFRS 15, see Deloitte’s *May 28, 2014; September 11, 2015; and April 20, 2016, IFRS in Focus* newsletters.

**Service Concession Arrangements**

**FASB ASU 2017-10 on Service Concession Arrangements**

**Affects:** All entities.

**Summary:** The FASB issued ASU 2017-10 on May 16, 2017, in response to an EITF consensus reached at the Task Force’s March 2017 meeting. The ASU addresses “diversity in practice in how an operating entity determines the customer of the operation services for transactions within the scope of [ASC] 853” by “clarifying that the grantor is the customer of the operation services in all cases for those arrangements.” The amendments also allow for a “more consistent application of other aspects of the revenue guidance, which are affected by this customer determination.”

**Next Steps:** For entities that have not yet adopted ASC 606, the effective date is aligned with that for ASC 606. For PBEs that have adopted ASC 606, the ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For most other entities, the ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted.

**Other Resources:** Deloitte’s March 2017 *EITF Snapshot*.

**Statement of Cash Flows**

**FASB ASU 2016-18 Amends Guidance on Restricted Cash**

**Affects:** All entities.

**Summary:** The FASB issued ASU 2016-18 on November 17, 2016, in response to an EITF consensus reached at the Task Force’s September 2016 meeting. The ASU amends ASC 230 to add or clarify guidance on the classification and presentation of restricted cash in the statement of cash flows.

**Next Steps:** For PBEs, the guidance is effective for fiscal years beginning after December 15, 2017, including interim periods therein. For all other entities, it is effective for fiscal years beginning after December 15, 2018, and interim periods thereafter. Early adoption is permitted for all entities, which must apply the guidance retrospectively to all periods presented.

**Other Resources:** Deloitte’s November 17, 2016, *Heads Up* and *A Roadmap to the Preparation of the Statement of Cash Flows*.

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FASB ASU 2016-15 on Cash Flow Classification

**Affects:** All entities.

**Summary:** The FASB issued ASU 2016-15\(^{22}\) on August 26, 2016, in response to an EITF consensus reached at the Task Force's June 2016 meeting. The ASU amends ASC 230 to add or clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows.

**Next Steps:** For PBEs, the guidance 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 fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted for all entities. Entities must apply the guidance retrospectively to all periods presented but may apply it prospectively if retrospective application would be impracticable.

**Other Resources:** Deloitte's August 30, 2016, *Heads Up* and *A Roadmap to the Preparation of the Statement of Cash Flows*.

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**International**

IASB IFRS 9 Amends the Accounting for Financial Instruments

**Affects:** Entities reporting under IFRSs.

**Summary:** The IASB issued a final version of IFRS 9\(^{23}\) on July 24, 2014, marking the completion of its project to improve the accounting for financial instruments and replace IAS 39\(^{24}\). The new standard substantially revises IFRS guidance on classification and measurement, including impairment, as well as hedge accounting. In addition, unlike IAS 39, under which impairment is based on incurred losses, the new impairment model in IFRS 9 (2014) is based on expected losses. The impairment model applies to amortized-cost financial assets and financial assets in IFRS 9's new FVTOCI\(^{25}\) category as well as to loan commitments, financial guarantees, lease receivables, and contract assets.

**Next Steps:** IFRS 9 will become effective on January 1, 2018. Early adoption is permitted. However, note that on September 12, 2016, the IASB published amendments\(^{26}\) to its insurance contracts standard, IFRS 4,\(^{27}\) to address concerns about the differing effective dates of IFRS 9 and its new insurance contracts standard, IFRS 17,\(^{28}\) which will supersede IFRS 4. The amendment provides entities that meet a criterion for engaging in predominantly insurance activities with the option to continue current IFRS accounting and to defer the application of IFRS 9 until the earlier of the application of the new insurance standard or periods beginning on or after January 1, 2021. Separately, the amendment gives all entities with contracts within the scope of IFRS 4 an option to apply IFRS 9, with adjustments to profit or loss for designated qualifying financial assets.


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\(^{23}\) IFRS 9, *Financial Instruments*.


\(^{25}\) Fair value through other comprehensive income.


\(^{27}\) IFRS 4, *Insurance Contracts*.

\(^{28}\) IFRS 17, *Insurance Contracts*. 
IASB IFRIC Interpretation on Foreign Currency Transactions and Advance Consideration

Affects: Entities reporting under IFRSs.

Summary: The IASB published IFRIC 22 on December 8, 2016. IFRIC 22 was developed by the IFRS Interpretations Committee to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation is being issued to reduce diversity in practice related to the exchange rate used when an entity reports transactions that are denominated in a foreign currency in accordance with IAS 21 in circumstances in which consideration is received or paid before the related asset, expense, or income is recognized.

Next Steps: IFRIC 22 is effective for annual reporting periods beginning after January 1, 2018; early adoption is permitted.

Other Resources: Deloitte’s December 19, 2016, IFRS in Focus.

IASB Amendments Clarify the Classification and Measurement of Share-Based Payment Transactions

Affects: Entities reporting under IFRSs.

Summary: The IASB released amendments to IFRS 2 on June 20, 2016. The amendments clarify the accounting requirements related to classification and measurement of share-based payment transactions. Specifically, the amendments concern the:

- Effects of vesting and nonvesting conditions on the measurement of a cash-settled share-based payment.
- Classification of share-based payment transactions with net settlement features for withholding tax obligations.
- Accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

Next Steps: The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

Other Resources: Deloitte’s June 28, 2016, IFRS in Focus.

IASB Amendments to Guidance on Investment Property

Affects: Entities reporting under IFRSs.

Summary: The IASB issued amendments on December 8, 2016, to the guidance in IAS 40 on transfers of property to or from investment property. Specifically, the amendments revise paragraph 57 of IAS 40 to state that “[a]n entity shall transfer a property to, or from, investment property when, and only when, there is a change in use.” The amendments further clarify that a “change in use occurs when the property meets, or ceases to meet, the definition of investment property” and that a “change in management’s intentions for the use of a property does not provide evidence of a change in use.”

29 IFRIC Interpretation 22, Foreign Currency Transactions and Advance Consideration.
30 IAS 21, The Effects of Changes in Foreign Exchange Rates.
31 IASB Amendments, Classification and Measurement of Share-Based Payment Transactions — amendments to IFRS 2.
32 IFRS 2, Share-Based Payment.
33 IASB Amendments, Transfers of Investment Property — amendments to IAS 40.
34 IAS 40, Investment Property.
**Next Steps:** The amendments are effective for periods beginning on or after January 1, 2018. Early adoption is permitted.

**Other Resources:** Deloitte’s December 19, 2016, *IFRS in Focus*. 
Accounting — Newly Issued Standards

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  ○ FASB Issues ASU Superseding ASC 995 Related to Steamship Entities*
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  ○ IASB Concludes the 2015–2017 Annual Improvements Cycle*
  ○ IASB Publishes Amendments to IFRS 9 and IAS 28*
  ○ IASB Publishes Interpretation on Uncertain Tax Treatments
  ○ IASB Issues New Insurance Contracts Standard

Consolidation

FASB Amends Consolidation Guidance for Not-for-Profit Entities

Affects: NFPS.

Summary: On January 12, 2017, the FASB issued ASU 2017-02,35 which amends the consolidation guidance for NFPS in ASC 958-810. The amendments:

• Incorporate into ASC 958-810 the superseded consolidation guidance in ASC 810-20.
• Address when an “NFP limited partner should consolidate a for-profit limited partnership.”

Next Steps: The ASU is effective for NFPS for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017.


Employee Benefit Plans

FASB Issues Guidance on Employee Benefit Plan Master Trust Reporting

Affects: Employee benefit plans.

Summary: On February 27, 2017, the FASB issued ASU 2017-0636 on employee benefit plan master trust reporting in response to an EITF consensus. The ASU’s provisions include the following:

• Presentation within the plan’s financial statements of its interest in a master trust as a single line item.
• Disclosure of the master trust’s investments by general type as well as by the dollar amount of the plan’s interest in each type.
• Disclosure of the master trust’s other assets and liabilities and the balances related to the plan.
• Elimination of required disclosures for Section 401(h) accounts that are already provided by the associated defined benefit plan.

Next Steps: The ASU’s amendments are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted.

Other Resources: Deloitte’s November 2016 EITF Snapshot.

35 FASB Accounting Standards Update No. 2017-02, Clarifying When a Not-for-Profit Entity That Is a General Partner or a Limited Partner Should Consolidate a For-Profit Limited Partnership or Similar Entity.
Financial Instruments

FASB Makes Targeted Changes to Guidance on Accounting for Certain Financial Instruments With Down-Round Features

Affects: All entities.

Summary: On July 13, 2017, the FASB issued ASU 2017-11,37 which makes limited changes to the Board’s guidance on classifying certain financial instruments as either liabilities or equity. The ASU’s objective is to improve (1) the accounting for instruments with “down-round” provisions and (2) the readability of the guidance in ASC 480 on distinguishing liabilities from equity by replacing the indefinite deferral of certain pending content with scope exceptions.

Next Steps: For PBEs, the ASU is effective for annual reporting periods beginning after December 15, 2018, including interim periods within those annual reporting periods. For all other entities, the ASU is effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual reporting periods beginning after December 15, 2020. Early adoption is permitted in any interim or annual period for which financial statements have not yet been issued or have not been made available for issuance.

Other Resources: Deloitte’s July 21, 2017, Heads Up; A Roadmap to Accounting for Contracts on an Entity’s Own Equity; and A Roadmap to Distinguishing Liabilities From Equity. Also see the press release on the FASB’s Web site.

FASB Issues Guidance on Callable Debt Securities

Affects: All entities.

Summary: On March 30, 2017, the FASB issued ASU 2017-08,38 which is intended to enhance “the accounting for the amortization of premiums for purchased callable debt securities.” Specifically, the ASU shortens the amortization period for certain investments in callable debt securities purchased at a premium by requiring that the premium be amortized to the earliest call date. The ASU was issued in response to concerns from stakeholders that “current GAAP excludes certain callable debt securities from consideration of early repayment of principal even if the holder is certain that the call will be exercised.”

Next Steps: The ASU’s amendments are effective for PBEs for annual periods, including interim periods within those annual periods, beginning after December 15, 2018. For other entities, the amendments are effective for annual periods beginning after December 15, 2019, and interim periods thereafter. Early adoption is permitted.


38 FASB Accounting Standards Update No. 2017-08, Premium Amortization on Purchased Callable Debt Securities.
Goodwill

FASB Simplifies Goodwill Impairment Test

Affects: All entities.

Summary: On January 26, 2017, the FASB issued ASU 2017-04, which removes the requirement to compare the implied fair value of goodwill with its carrying amount as part of step 2 of the goodwill impairment test. As a result, under the ASU, “an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount [and] should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.”

In addition, the ASU:

- Clarifies the requirements for excluding and allocating foreign currency translation adjustments to reporting units in connection with an entity's testing of reporting units for goodwill impairment.
- Clarifies that “an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable.”
- Makes minor changes to the overview and background sections of certain ASC subtopics and topics as part of the Board's initiative to unify and improve those sections throughout the Codification.

Next Steps: The ASU is effective prospectively for fiscal years beginning after the following dates:

- For PBEs that are SEC filers, December 15, 2019.
- For PBEs that are not SEC filers, December 15, 2020.
- For all other entities, including NFPs, December 15, 2021.

Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.


Hedge Accounting

FASB Makes Targeted Improvements to Hedge Accounting Requirements

Affects: All entities.

Summary: On August 28, 2017, the FASB issued ASU 2017-12, which amends the hedge accounting recognition and presentation requirements in ASC 815. The Board's objectives in issuing the ASU are to (1) improve the transparency and understandability of information conveyed to financial statement users about an entity's risk management activities by better aligning the entity's financial reporting for hedging relationships with those risk management

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39 FASB Accounting Standards Update No. 2017-04, Simplifying the Test for Goodwill Impairment.
40 FASB Accounting Standards Update No. 2017-12, Targeted Improvements to Accounting for Hedging Activities.
activities and (2) reduce the complexity of and simplify the application of hedge accounting by preparers. Changes made by the ASU include the following:

- Elimination of the concept of recognizing periodic hedge ineffectiveness for cash flow and net investment hedges.
- Recognition and presentation of changes in the fair value of the hedging instrument.
- Recognition and presentation of components excluded from an entity's hedge effectiveness assessment.
- Addition of the ability to exclude cross-currency basis spreads for currency swaps from an entity's hedge effectiveness assessment.
- Addition of the ability to elect to perform subsequent effectiveness assessments qualitatively.
- Elimination of the benchmark interest rate concept for variable-rate instruments in cash flow hedges. An entity can now designate the contractually specified interest rate as the hedged risk.
- Addition of the Securities Industry and Financial Markets Association Municipal Swap Rate as a benchmark interest rate.
- Addition of the ability to designate a “fallback” long-haul method for the shortcut method.
- Addition of the ability to apply the shortcut method to partial-term fair value hedges of interest rate risk.
- Enhancement of the ability to use the critical-terms-match method for cash flow hedge of groups of forecasted transactions when the timing of the hedged transactions does not perfectly match the hedging instrument's maturity date.
- Addition of new disclosure requirements and amendments to existing ones.

**Next Steps:** For PBEs, the ASU is effective for fiscal years beginning after December 15, 2018, and interim periods therein; however, early adoption by all entities is permitted upon its issuance.

**Other Resources:** Deloitte’s August 30, 2017, *Heads Up*. Also see the press release, *FASB in Focus*, and cost-benefit analysis on the FASB's Web site.

**SEC Guidance**

**SEC Allows Certain PBEs to Elect to Use Non-PBE Effective Dates When Adopting the FASB’s Revenue and Leasing Standards***

**Affects:** PBEs.

**Summary:** At the July 20, 2017, EITF meeting, the SEC staff provided significant relief to registrants that are required to include financial statements or financial information of other reporting entities in their SEC filings. Specifically, the SEC staff announced that it would not object to elections by certain PBEs to use the non-PBE effective dates for the sole purpose of adopting the FASB’s new standards on revenue (ASC 606) and leases (ASC 842). The staff announcement makes clear that the ability to use non-PBE effective dates for adopting the new revenue and leases standards is limited to the subset of PBEs “that otherwise would not meet the definition of a [PBE] except for a requirement to include or the inclusion of its financial statements or financial information in another entity’s filings with the SEC.” In
response to the announcement made at the EITF meeting, the FASB released ASU 2017-13\(^1\) in September 2017.

In addition, on January 23, 2017, the FASB issued ASU 2017-03\(^2\), which amends certain SEC guidance in the FASB Accounting Standards Codification in response to SEC staff announcements made at the September 22, 2016, and November 17, 2016, EITF meetings. The announcements addressed the following topics:

- The “additional qualitative disclosures” that a registrant is expected to provide when it “cannot reasonably estimate the impact” that ASUs 2014-09, 2016-02\(^3\), and 2016-13\(^4\) will have in applying the guidance in SAB Topic 11.M\(^5\) (announcement made at the September 22, 2016, EITF meeting).

- Guidance in ASC 323 related to the amendments made by ASU 2014-01\(^6\) regarding use of the proportional amortization method in accounting for investments in qualified affordable housing projects (announcement made at the November 17, 2016, EITF meeting).


### Steamship Entities

**FASB Issues ASU Superseding ASC 995 Related to Steamship Entities**

**Affects:** PBEs.

**Summary:** In December 2017, the FASB issued ASU 2017-15\(^7\), which supersedes the guidance for steamship entities in ASC 995 with respect to “unrecognized deferred taxes related to certain statutory reserve deposits.” Specifically, the ASU requires entities with “unrecognized deferred income taxes related to statutory deposits made on or before December 15, 1992, . . . to recognize the unrecognized income taxes in accordance with [ASC] 740.”

**Next Steps:** The amendments in the ASU are effective for fiscal years and first interim periods beginning after December 15, 2018. Early adoption is permitted for all entities, including adoption in an interim period.

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\(^1\) FASB Accounting Standards Update No. 2017-13, Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Recision of Prior SEC Staff Announcements and Observer Comments.

\(^2\) FASB Accounting Standards Update No. 2017-03, Amendments to SEC Paragraphs Pursuant to Staff Announcements at the September 22, 2016 and November 17, 2016 EITF Meetings.

\(^3\) FASB Accounting Standards Update No. 2016-02, Leases.

\(^4\) FASB Accounting Standards Update No. 2016-13, Measurement of Credit Losses on Financial Instruments.


\(^6\) FASB Accounting Standards Update No. 2014-01, Accounting for Investments in Qualified Affordable Housing Projects — a consensus of the FASB Emerging Issues Task Force.

International

IASB Concludes the 2015–2017 Annual Improvements Cycle*

Affects: Entities reporting under IFRSs.

Summary: On December 12, 2017, the IASB issued a series of amendments as part of its annual improvements project (i.e., its project to make minor, nonurgent amendments to IFRSs). The following four standards are being amended:

- IFRS 3 — Clarification that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.
- IFRS 11 — These amendments explain that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- IAS 12 — Revisions to clarify that all income tax consequences of dividends (i.e., distribution of profits) should be recognized in profit or loss, regardless of how the tax arises.
- IAS 23 — These amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

Next Steps: The amendments are all effective for annual periods beginning on or after January 1, 2019.

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

IASB Publishes Amendments to IFRS 9 and IAS 28*

Affects: Entities reporting under IFRSs.

Summary: On October 12, 2017, the IASB released amendments to the following standards:

- IFRS 9 — These amendments address concerns about how particular prepayable financial assets are classified under IFRS 9. Specifically, under the amendments, companies are allowed “to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met — instead of at fair value through profit or loss.”
- IAS 28 — These amendments clarify that companies account for long-term interests in an associate or joint venture — to which the equity method is not applied — using IFRS 9.

Next Steps: Both sets of amendments become effective on January 1, 2019. Early application is permitted.

Other Resources: Deloitte’s October 19, 2017, IFRS in Focus newsletters on the amendments to IFRS 9 and IAS 28. Also see the press release on the IASB’s Web site.

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49 IFRS 3, Business Combinations.
50 IFRS 11, Joint Arrangements.
51 IAS 12, Income Taxes.
52 IAS 23, Borrowing Costs.
53 IASB Amendments, Prepayment Features With Negative Compensation — amendments to IFRS 9.
54 IAS 28 (Revised 2011), Investments in Associates and Joint Ventures.
55 IASB Amendments, Long-Term Interests in Associates and Joint Ventures — amendments to IAS 28.
IASB Publishes Interpretation on Uncertain Tax Treatments

**Affects:** Entities reporting under IFRSs.

**Summary:** On June 7, 2017, the IASB published IFRIC Interpretation 23,[56] which clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty regarding income tax treatments. Topics addressed in the new interpretation include:

- “[W]hether an entity considers uncertain tax treatments separately.”
- “[T]he assumptions an entity makes about the examination of tax treatments by taxation authorities.”
- “[H]ow an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.”
- “[H]ow an entity considers changes in facts and circumstances.”

**Next Steps:** IFRIC 23 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted.

**Other Resources:** For more information, see Deloitte's June 7, 2017, *IFRS in Focus* as well as the press release on the IASB's Web site.

IASB Issues New Insurance Contracts Standard

**Affects:** Entities reporting under IFRSs.

**Summary:** On May 18, 2017, the IASB released IFRS 17, which supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. The main objective of IFRS 17 is to reduce the diversity in practice that arose under IFRS 4, which allowed companies “to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches.” The new standard increases comparability “by requiring all insurance contracts to be accounted for in a consistent manner.”

**Next Steps:** IFRS 17 is effective for annual reporting periods beginning on or after January 1, 2021. Earlier application is permitted if both IFRS 15 (on revenue recognition) and IFRS 9 (on financial instruments) have also been applied. The standard should be applied retrospectively unless it is impracticable to do so; entities then have the option to use a modified retrospective approach or the fair value approach.

**Other Resources:** Deloitte's May 18, 2017, *IFRS in Focus*. Also see the following resources on the IASB's Web site:

- Press release.
- Project summary.
- Feedback statement.
- Fact sheet.
- Effects analysis.

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Codification

FASB Proposes Codification Improvements*

Affects: All entities.

Summary: On October 3, 2017, the FASB issued a proposed ASU\textsuperscript{57} that would “clarify, correct errors in, or make minor improvements to” various Codification topics. In the proposal, the FASB particularly focuses on guidance that entities may have “incorrectly or inconsistently applied,” including guidance on the following topics:

- Comprehensive income (ASC 220-10).
- Debt modifications and extinguishments (ASC 470-50).
- Distinguishing liabilities from equity (ASC 480-10).
- Income tax considerations related to stock compensation and business combinations (ASC 718-740 and ASC 805-740, respectively).
- Derivatives and hedging (ASC 815-10).
- Fair value measurement (ASC 820-10).
- Financial services — brokers and dealers (ASC 940-405).
- Plan accounting — defined contribution pension plans (ASC 962-325).

Comments on the proposed ASU were due by December 4, 2017.

Financial Instruments

FASB Proposes Technical Corrections and Improvements to Guidance on Financial Instruments*

Affects: All entities.

Summary: On September 27, 2017, the FASB issued a proposed ASU\textsuperscript{58} that would “clarify certain aspects of the guidance” on financial instruments in ASU 2016-01. Specifically, the proposal would amend guidance on the following topics:

- Equity securities without a readily determinable fair value.
- Forward contracts and purchased options.
- Presentation requirements for certain fair value option liabilities.
- Fair value option liabilities denominated in a foreign currency.
- Transition guidance for equity securities without a readily determinable fair value.

Comments on the proposed ASU were due by November 13, 2017.

Other Resources: Deloitte’s September 28, 2017, journal entry.

\textsuperscript{57} FASB Proposed Accounting Standards Update, Codification Improvements.

Leases

FASB Proposes Amendments to New Leasing Standard*

**Affects:** All entities.

**Summary:** On September 25, 2017, the FASB issued a proposed ASU\(^{59}\) that would amend the transition requirements for land easements in the Board’s new leasing standard, ASU 2016-02. The objectives of the land easement amendments, which are being proposed in response to feedback received by the FASB regarding implementation of the new leasing standard, are to:

- Clarify that land easements entered into (or existing land easements modified) on or after the effective date of the new leasing standard must be assessed under ASC 842.
- Provide a transition practical expedient for existing or expired land easements that were not previously assessed in accordance with ASC 840. The practical expedient would allow entities to elect not to assess whether those land easements are, or contain, leases in accordance with ASC 842 when transitioning to the new leasing standard.

In addition, on September 27, 2017, the FASB issued another lease-related proposed ASU that would make 16 technical corrections and improvements to the new leasing standard.

Comments on the proposal related to land easements were due by October 25, 2017; comments on the technical-corrections proposal were due by November 13, 2017.

Further, on November 29, 2017, the Board discussed stakeholder feedback on its proposed ASU related to the land easement practical expedient associated with transition to ASC 842 and voted to move forward with drafting a final ASU.

**Other Resources:** Deloitte’s December 5, 2017, and October 3, 2017, Heads Up newsletters.

\(^{59}\) FASB Proposed Accounting Standards Update, Land Easement Practical Expedient for Transition to Topic 842.
AICPA

**AICPA Issues Q&As Related to Definition of Public Business Entity**

**Affects:** All entities.

**Summary:** On October 24, 2017, the AICPA issued a series of technical Q&As addressing the definition of a PBE in the FASB Accounting Standards Codification. The Q&As cover the following topics:

- Use of the terms “security,” “over-the-counter market,” “conduit bond obligor,” “prepare,” “publicly available,” “financial statements,” and “periodic basis” in the definition of a PBE.
- Types of securities included in the definition of a PBE.
- FINRA TRACE and MSRB EMMA data.
- Use of the phrase “contractual restriction on transfer.”
- Application of the definition of a PBE when entities are in tiered organizational structures.
- Financial statements or information filed with the SEC and related effective-date considerations.
- ASU effective dates.
- How financial institutions subject to certain depository regulations should evaluate the definition of a PBE.
- Mutual depository institutions.
- Brokered certificates of deposit.
- Private resales.
- Insurance companies.
- Brokers, dealers, and futures commission merchants.

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

Brexit

**Assessing Potential Income Tax Implications of the UK’s Written Notification to Leave the EU**

**Affects:** All entities.

**Summary:** On March 29, 2017, UK Prime Minister Theresa May provided written notification to the European Council of the UK’s intention to withdraw from the EU. Along with the many other aspects of European law that would presumably cease to apply to the UK upon its withdrawal from the EU, unless other agreements are reached, various tax exemptions and reliefs related to intra-Europe undertakings would presumably also no longer apply to dealings between UK entities and entities domiciled in EU-member states.

CAQ

CAQ SEC Regulations Committee Releases Highlights of September 26 and July 11, 2017, Joint Meetings With SEC Staff*

Affects: SEC registrants.

Summary: In the fourth quarter of 2017, the Center for Audit Quality (CAQ) posted to its Web site the highlights of the September 26, 2017, and July 11, 2017, CAQ SEC Regulations Committee joint meetings with the SEC staff. Topics discussed at the meetings included:

• Waivers under SEC Regulation S-X, Rule 3-13.60
• Process for requesting omission of selected financial data.
• Data registration statement processing.
• PBE announcement at EITF meeting.
• Pro forma financial information for a business combination under common control or discontinued operation.
• Effects of accounting changes by a successor entity on the predecessor-period financial statements.
• ASC 606.
• Non-GAAP financial measures.
• Regulation A submissions.
• Evaluating the significance of a business disposal in connection with a proxy statement soliciting authorization for the disposal.
• Pro forma financial information presented in a Form 8-K for a significant acquisition made after a previously reported significant acquisition.


Credit Losses

FASB Addresses the Estimated Life of Credit Card Receivables*

Affects: All entities.

Summary: At its October 4, 2017, meeting, the FASB discussed the estimated life of a credit card receivable in the context of estimating expected credit losses. Specifically, the Board discussed how an entity should consider estimated expected future payments on a credit card receivable.

Other Resources: Deloitte’s October 5, 2017, journal entry.

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60 SEC Regulation S-X, Rule 3-13, “Filing of Other Financial Statements in Certain Cases.”
Highly Inflationary Economies

Developments Related to Determining Whether Argentina’s Economy Should Be Considered Highly Inflationary

Affects: Entities with operations in Argentina.

Summary: Historically, the IMF has had concerns about the reliability of the consumer price index (CPI) inflation data produced by the government of Argentina. Because of these concerns, some stakeholders have looked to qualitative factors to help them determine whether Argentina’s economy is highly inflationary. Others have looked to the wholesale price index (WPI) produced by the Argentina government as a proxy for inflation data to be used in the three-year cumulative inflation calculation. The WPI has consistently provided national coverage (unlike most of the published CPI data) and has been viewed by some local practitioners as providing the most relevant and reliable inflation measures for the country as a whole, even though it is not a CPI. Further, recent information has shown that inflation has started to decelerate under the new government, and the expectation is that inflation could continue to decelerate given the new government’s anti-inflationary policies. Accordingly, entities will face practical challenges and will need to use significant judgment in assessing whether Argentina’s economy is considered highly inflationary.

Other Resources: Deloitte’s March 7, 2017, Financial Reporting Alert. Also see the highlights from the May 2017 IPTF joint meeting.

Income Taxes

Considerations Related to Tax Reform*

Affects: All entities.

Summary: The congressional tax reform legislation continues to evolve. On November 16, 2017, the House of Representatives passed a tax reform bill. On December 2, 2017, the Senate passed its version of the bill, setting the stage for a formal House-Senate conference intended to reconcile differences between the bills and achieve a uniform bill (the “final bill”) that can be forwarded to President Trump for his signature. ASC 740-10-25-47, which addresses changes in income tax laws or rates, requires adjustments of deferred tax liabilities and deferred tax assets for the effects of a change in tax laws or rates in the quarterly and annual periods that include the enactment date. If the president were to sign the legislation on or before December 31, 2017, an entity with a calendar fiscal year-end would be required to recognize the effects of the legislation in its 2017 annual financial statements, resulting in a significantly compressed time frame for public entities to apply the provisions of the new legislation (filings due 60 to 90 days after year-end). If the enactment date falls in a quarterly period other than the fourth quarter (which might be the case for many entities with other than a calendar fiscal year), the time frame for public entities to apply ASC 740 would be even more compressed (filings due 40 to 45 days after quarter-end).

Other Resources: Tax reform insights on Deloitte.com.
Leases

FASB Tentatively Decides to Relieve Entities From Implementing Certain Aspects of the New Leasing Standard*

**Affects:** All entities.

**Summary:** At its November 29, 2017, Board meeting, the FASB tentatively decided to amend certain aspects of its new leasing standard, *ASU 2016-02*, in an attempt to reduce the costs of implementing the standard. Specifically, the FASB tentatively decided to amend the guidance in *ASC 842* as follows:

- Entities may elect not to restate their comparative periods in the period of adoption when transitioning to the new standard.
- Lessors may elect not to separate lease and nonlease components when certain conditions are met.

**Other Resources:** Deloitte’s December 5, 2017, *Heads Up*.

SEC

SEC Updates Interpretive Guidance on Revenue Recognition

**Affects:** SEC registrants.

**Summary:** On August 18, 2017, the SEC issued *Staff Accounting Bulletin No. 116 (SAB 116)* as well as two interpretive releases to update its interpretive guidance on revenue recognition and bring it into conformity with the FASB’s new revenue standard (*ASC 606*). On November 22, 2017, the FASB issued *ASU 2017-14* to bring this SEC guidance into the Codification.

SAB 116 modifies SAB Topics 8,61 11.A,62 and 13 as follows:

- SAB Topic 8, which is specific to retail companies, and SAB Topic 13, which provides the SEC staff’s views regarding general revenue recognition guidance as codified in *ASC 605*, will no longer be applicable upon a registrant’s adoption of *ASC 606*.
- SAB Topic 11.A is amended to clarify that “revenues from operating-differential subsidies presented under a revenue caption should be presented separately from revenue from contracts with customers accounted for under [ASC] 606.”

The interpretive releases are as follows:

- *Updates to Commission Guidance Regarding Accounting for Sales of Vaccines and Bioterror Countermeasures to the Federal Government for Placement Into the Pediatric Vaccine Stockpile or the Strategic National Stockpile* — States that upon adopting *ASC 606*, manufacturers should recognize revenue for vaccines that are placed into the “Vaccines for Children Program” and the “Strategic National Stockpile” because control of the enumerated vaccines will have been transferred to the customer when the vaccines are placed into the federal government stockpile program.

**Other Resources:** Deloitte’s August 22, 2017, *journal entry*. Also see the *press release* on the SEC’s Web site.

61 SEC Staff Accounting Bulletin Topic 8, “Retail Companies.”
SEC Amends Staff Accounting Bulletin Series to Make It Consistent With Current Guidance*

Affects: SEC registrants.

Summary: On November 29, 2017, the SEC issued Staff Accounting Bulletin No. 117 (SAB 117), which amends certain SAB topics to make them consistent with current auditing and accounting guidance, especially the FASB's ASC 321. Specifically, SAB 117 amends SAB Topic 5 to indicate that SAB Topic 5.M is no longer applicable upon adoption of ASC 321. ASC 321 creates new guidance that “eliminates the ability to present changes in the fair value of investments in equity securities within other comprehensive income, which eliminates the need for [SAB] Topic 5.M.”

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63 SEC Staff Accounting Bulletin Topic 5, “Miscellaneous Accounting.”
AICPA

AICPA Issues Framework Related to Cybersecurity Risk Management

Affects: Entities and CPAs providing advisory or attestation services.

Summary: On April 26, 2017, the AICPA issued a framework related to cybersecurity risk management. The purpose of the framework is to “enable all organizations — in industries worldwide — to take a proactive and agile approach to cybersecurity risk management and to communicate on those activities with stakeholders.”

Other Resources: For more information, see the press release and system and organization controls for cybersecurity page on the AICPA's Web site. In addition, see Deloitte's cybersecurity risk management examination discussion on Deloitte.com.

AICPA Issues SAS on the Auditor's Consideration of an Entity's Ability to Continue as a Going Concern

Affects: Auditors.

Summary: In February 2017, the Auditing Standards Board of the AICPA published SAS 132, which supersedes the guidance in SAS 126 on “the auditor's responsibilities in the audit of financial statements relating to the entity's ability to continue as a going concern and the implications for the auditor's report.” Aspects of the guidance that the new SAS revises include:

- The auditor's objectives and related conclusions.
- Financial support by third parties or the entity's owner-manager.
- Interim financial information.
- Financial statements prepared in accordance with a special-purpose framework.

Next Steps: The new guidance will be effective for audits of financial statements for periods ending on or after December 15, 2017.

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

CAQ

CAQ Issues Publication on Implementing Auditor’s Reporting Model*

Affects: Audit committees.

Summary: On December 6, 2017, the CAQ issued a publication that is intended to help audit committees implement the PCAOB's updated auditor reporting model. The publication “explains changes to the auditor's report and lists key questions on topics including auditor tenure, Critical Audit Matters (CAMs) and other new requirements.”

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

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65 AICPA Statement on Auditing Standards No. 132, The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern.

66 AICPA Statement on Auditing Standards No. 126, The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern.
CAQ Issues Alert on Disclosures Related to New Accounting Standards

**Affects:** SEC registrants and their auditors.

**Summary:** On June 28, 2017, the CAQ issued an alert\(^{67}\) to encourage its members to “focus on evaluating the adequacy of management’s disclosure of impending changes in accounting principles.” The alert was released to provide auditors with information about the disclosure requirements in SAB 74 (codified in SAB Topic 11.M) in light of the upcoming effective dates of the FASB’s standards on leases, credit losses, and revenue. SAB 74 “requires that when a recently issued accounting standard has not yet been adopted, a registrant discuss the potential effects of the future adoption in its interim and annual SEC filings.”

CAQ Updates Publication on Assessing External Auditors

**Affects:** Audit committees.

**Summary:** On April 18, 2017, the CAQ released an updated version of its publication\(^{68}\) on assessing external auditors. The purpose of the publication is “to assist audit committees in carrying out their responsibilities of appointing, overseeing, and determining compensation for the external auditor.” The update takes into account “upcoming changes in accounting rules and standards and other potential risk areas.”

**Next Steps:** For more information, see the press release and video on the CAQ’s Web site.

PCAOB

PCAOB Issues Standard on Auditor’s Reporting Model*

**Affects:** Registered public accounting firms.

**Summary:** On June 1, 2017, the PCAOB released an auditor reporting standard\(^{69}\) that significantly modifies the auditor’s reporting model. While the standard retains the current “pass/fail” approach, it also significantly increases the information included in auditors’ reports. The key changes to the auditor’s report under the standard are:

- A new required section describing CAMs arising from the audit of the current period’s financial statements. In this new section, the auditor will identify the CAMs, describe the principal considerations that led to the particular CAMs, describe how the auditor addressed the CAMs in the audit, and refer to the related financial statement accounts and disclosures.

- The standardization of the order and form of the auditor’s report, with the opinion section appearing first and section titles included to guide the reader.

- The addition of a new statement indicating that the auditor is required to be independent with respect to the company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB.

- Enhanced descriptions of the auditor’s roles and responsibilities in the audit.

- Inclusion of the year the auditor began serving consecutively as the company’s auditor.

\(^{67}\) CAQ Alert No. 2017-03, SAB Topic 11.M — A Focus on Disclosures for New Accounting Standards.

\(^{68}\) CAQ Publication, External Auditor Assessment Tool.

Further, on December 4, 2017, the PCAOB released *staff guidance*\(^\text{70}\) that “describes changes to the auditor’s report that become effective for audits for fiscal years ending on or after December 15, 2017.” Topics covered in the staff guidance include:

- The form of the auditor’s report.
- Addressees.
- Auditor independence.
- Auditor tenure.
- Auditor reporting regarding internal control over financial reporting.
- Explanatory and emphasis paragraphs.
- Information about certain audit participants.

In addition, the staff guidance provides a high-level overview of the requirements related to CAMs.

**Next Steps:** The effective date will be phased in as follows:

- Communication of CAMs will be effective:
  - For fiscal years ending on or after June 30, 2019, for auditor reports issued in connection with audits of large accelerated filers (as defined by the SEC).
  - For fiscal years ending on or after December 15, 2020, for auditor reports issued for all other audits to which the requirements apply.
- Remaining changes to the auditor’s report, including auditor tenure, will apply to auditor reports issued for fiscal years ending on or after December 15, 2017.

The SEC approved the new auditor reporting standard on October 23, 2017; thus, entities can elect to begin complying with the standard.

**Other Resources:** Deloitte’s June 20, 2017, *Heads Up*. Also see the June 1, 2017, and December 4, 2017, press releases on the PCAOB’s Web site.

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**PCAOB Issues Audit Practice Alert Related to New Revenue Standard**

**Affects:** Registered public accounting firms.

**Summary:** On October 5, 2017, the PCAOB issued a *staff audit practice alert*\(^\text{71}\) that discusses PCAOB requirements and other topics “relevant to auditors’ consideration of companies’ implementation of the new revenue standard.” These topics include:

- Auditing management’s transition disclosures in the notes to the financial statements.
- Auditing transition adjustments.
- Internal control over financial reporting.
- Fraud risks.
- Evaluating whether revenue is recognized in accordance with the applicable financial reporting framework.
- Evaluating whether the financial statements include the required disclosures regarding revenue.

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

\(^{70}\) PCAOB Staff Guidance, *Changes to the Auditor’s Report Effective for Audits of Fiscal Years Beginning on or After December 15, 2017*.

\(^{71}\) PCAOB Staff Audit Practice Alert No. 15, *Matters Related to Auditing Revenue From Contracts With Customers*. 
PCAOB Issues Staff Guidance on Form AP

Affects: Registered public accounting firms.

Summary: On February 16, 2017, the PCAOB issued updated staff guidance\(^2\) to help auditors provide disclosures on the new Form AP, as required by the Board’s December 2015 final rule.\(^3\) (The SEC approved the rule on May 9, 2016.) On Form AP, auditors must disclose (1) the “name of the engagement partner”; (2) the “name, location, and extent of participation of each other accounting firm participating in the audit [if their] work constituted at least 5% of total audit hours”; and (3) the “number and aggregate extent of participation of all other accounting firms participating in the audit whose individual participation was less than 5% of total audit hours.” The updated guidance clarifies the treatment of professional staff in secondment arrangements.

Next Steps: The requirement to disclose the engagement partner is effective for audit reports issued on or after January 31, 2017. The disclosure requirements related to other accounting firms are effective for audit reports issued on or after June 30, 2017.

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\(^3\) PCAOB 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.
Regulatory and Compliance Developments

In This Section

- SEC
  - SEC Issues Interpretive Guidance on Pay Ratio Disclosure Rule*
  - SEC Issues Proposed Rule to Modernize and Simplify Certain Disclosure Requirements in Regulation S-K*
  - SEC Issues Staff Legal Bulletin on Exclusion of Shareholder Proposals*
  - SEC Staff Updates Financial Reporting Manual*
  - SEC Staff Updates C&DIs*
  - SEC Updates Announcement Regarding Expansion of Nonpublic Review Process for Draft Registration Statements
  - Federal Court Remands Conflict Minerals Rule to SEC

SEC

SEC Issues Interpretive Guidance on CEO Pay Ratio Disclosure Rule*

**Affects:** SEC registrants.

**Summary:** On September 21, 2017, the SEC issued interpretive guidance on pay ratio disclosure. The interpretive guidance is designed to “assist companies in their efforts to comply with the pay ratio disclosure requirement mandated by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.” In addition, the SEC staff has issued guidance on the pay ratio rule that includes "hypothetical examples of use of sampling and other reasonable methodologies."

The interpretive guidance became effective on September 27, 2017.

**Other Resources:** Deloitte’s October 17, 2017, *Heads Up*. Also see the press release on the SEC’s Web site.

SEC Issues Proposed Rule to Modernize and Simplify Certain Disclosure Requirements in Regulation S-K*

**Affects:** SEC registrants.

**Summary:** On October 11, 2017, the SEC issued a proposed rule in response to recommendations in the SEC staff’s *Report on Modernization and Simplification of Regulation S-K*, which was issued on November 23, 2016. The proposed rule would make specific revisions to a limited group of items in SEC Regulation S-K and is intended to streamline and improve disclosures. Regulation S-K requirements, which are the central repository for nonfinancial statement disclosures in SEC registration statements and periodic filings, were established more than 30 years ago, and the modernization of these requirements has been called for as a result of evolving business models, new technology, and changing investor needs.

**Next Steps:** Comments on the proposed rule are due by January 2, 2018.

**Other Resources:** Deloitte’s October 16, 2017, *Heads Up*.

SEC Issues Staff Legal Bulletin on Exclusion of Shareholder Proposals*

**Affects:** SEC registrants.

**Summary:** On November 1, 2017, the SEC’s Division of Corporation Finance (the “Division”) issued *Staff Legal Bulletin (SLB) 14I*, which provides its views on the exclusion of shareholder proposals under Rule 14a-8 of the Securities Exchange Act of 1934.

Specifically, the SLB clarifies the scope and application of Rules 14a-8(i)(5) and 14-a8(i)(7). In addition, the SLB provides information on proposals submitted on behalf of shareholders and the use of images in shareholder proposals.

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SEC Staff Updates Financial Reporting Manual*

**Affects:** SEC registrants.

**Summary:** On December 1, 2017, the Division published an update to its Financial Reporting Manual (FRM). The updates include:

- Revisions to paragraphs 3250.1(m) and 3250.1(n) with respect to “the pro forma impact of adopting new accounting standards.”
- Changes to paragraph 10230.1 to “address adoption of new accounting standards after [emerging growth company (EGC)] status is lost.”
- Revisions to Sections 11100 and 11200 to clarify — for certain PBEs — the effective dates of ASU 2014-09 and ASU 2016-02.

The SEC also published an FRM update in August 2017. This update includes:

- A new section that “describes communications with [the Division's Office of the Chief Accountant (CF-OCA)] and provides contact information.”
- Revisions to Section 2065 and the index to “clarify that questions about applying the guidance on abbreviated financial statements to a predecessor entity should be directed to CF-OCA.”
- Revisions to paragraphs 10220.1 and 10220.5 to “clarify the guidance on the omission of financial information from draft and filed registration statements.” The updates in paragraph 10220.1 omit previous guidance, refer users via hyperlink to newly issued Securities Act of 1933 Compliance & Disclosure Interpretation (C&DI) 101.4 and note that that C&DI 101.05 addresses similar matters for non-EGC issuers. The updates in paragraph 10220.5c delete previous guidance and refer users via hyperlink to Fixing America's Surface Transportation (FAST) Act C&DI, Question 2.

SEC Staff Updates C&DIs*

**Affects:** SEC registrants.

**Summary:** In the fourth quarter of 2017, the Division staff updated its C&DIs on the following topics:

- **Safeguards for sensitive company information** — The staff released Question 271.25, which addresses whether companies can “implement safeguards with respect to electronic access to Rule 701(e) [disclosure] information.”
- **Non-GAAP financial measures** — The staff added Question 101.01, which addresses whether “financial measures included in forecasts provided to a financial advisor and used in connection with a business combination transaction” constitute non-GAAP measures. In addition, the previous Question 101.01 has been amended and renumbered to Question 101.02, and the previous Question 101.02 has been renumbered to Question 101.03.

**Other Resources:** Deloitte’s *A Roadmap to Non-GAAP Financial Measures*.

SEC Updates Announcement Regarding Expansion of Nonpublic Review Process for Draft Registration Statements

**Affects:** SEC registrants.

**Summary:** On August 17, 2017, the SEC updated its June 29, 2017, announcement that it is extending to all companies benefits that are similar to those it has extended to EGCs regarding the confidential review process for draft registration statements under the Jumpstart Our Business Startups (JOBS) Act. The updates are intended to clarify the factors a company considers in determining whether it is eligible to use the expanded nonpublic review process.
The announcement notes that the “nonpublic review process is available for Securities Act registration statements prior to the issuer’s initial public offering date and for Securities Act registration statements within one year of the IPO. In identifying the initial public offering date, we will refer to Section 101(c) of the JOBS Act. The nonpublic review process is available for the initial registration of a class of securities under Exchange Act Section 12(b) on Form 10, 20-F or 40-F.”

**Other Resources:** For more information about the SEC’s updated announcement, see the [press release](#) on the SEC’s Web site as well as Deloitte’s July 11, 2017, *Heads Up.*

### Federal Court Remands Conflict Minerals Rule to SEC

**Affects:** SEC registrants.

**Summary:** On April 3, 2017, the U.S. District Court for the District of Columbia released its final judgment in the litigation related to the SEC’s [final rule](#) on conflict minerals and remanded the case to the SEC. After the April 3, 2017, ruling by the district court, the SEC announced that it is suspending enforcement of some requirements in the conflict minerals rule. Specifically, the public statement released by the Division notes:

>The court’s remand has now presented significant issues for the Commission to address. At the direction of the Acting Chairman, we have considered those issues. In light of the uncertainty regarding how the Commission will resolve those issues and related issues raised by commenters, the Division of Corporation Finance has determined that it will not recommend enforcement action to the Commission if companies, including those that are subject to paragraph (c) of Item 1.01 of Form SD, only file disclosure under the provisions of paragraphs (a) and (b) of Item 1.01 of Form SD. This statement is subject to any further action that may be taken by the Commission, expresses the Division’s position on enforcement action only, and does not express any legal conclusion on the rule. [Emphasis added]

**Other Resources:** For more information, see Acting Chairman Michael Piwowar’s public [statement](#) on the ruling on the SEC’s Web site. Also see the U.S. Government Accountability Office’s (GAO’s) [letter](#) to congressional committees about its review of disclosures provided in connection with the conflict minerals rule.
Appendix A: Significant Adoption Dates

The chart below describes significant adoption dates for FASB/EITF, AICPA, SEC, PCAOB, and IASB/IFRIC standards.

<table>
<thead>
<tr>
<th>FASB/EITF</th>
<th>Effective Date for PBEs</th>
<th>Effective Date for Non-PBEs</th>
<th>Early Adoption Allowed (Yes/No)</th>
<th>Deloitte Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU 2017-13, Revenue Recognition (Topic 605), Revenue From Contracts With Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842) — Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments (issued September 29, 2017)</td>
<td>Effective upon adoption of ASC 606, Revenue From Contracts With Customers, and ASC 842, Leases.</td>
<td>Effective upon adoption of ASC 606, Revenue From Contracts With Customers, and ASC 842, Leases.</td>
<td>Yes</td>
<td>October 2, 2017, US GAAP Plus news item and July 20, 2017, Heads Up</td>
</tr>
<tr>
<td>ASU Number / Relevance</td>
<td>Description</td>
<td>Effectiveness</td>
<td>Dates / Additional Notes</td>
<td></td>
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<tr>
<td>ASU 2017-11, (Part I) Accounting for Certain Financial Instruments With Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests With a Scope Exception (issued July 13, 2017)</td>
<td>The amendments in Part I are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. No transition guidance is required for the amendments in Part II because those amendments do not have an accounting effect. The amendments in Part I are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. No transition guidance is required for the amendments in Part II because those amendments do not have an accounting effect.</td>
<td>Yes</td>
<td>July 21, 2017, Heads Up, A Roadmap to Accounting for Contracts on an Entity’s Own Equity, and A Roadmap to Distinguishing Liabilities From Equity</td>
<td></td>
</tr>
<tr>
<td>ASU 2017-10, Service Concession Arrangements (Topic 853): Determining the Customer of the Operation Services — a consensus of the FASB Emerging Issues Task Force (issued May 16, 2017)</td>
<td>For PBEs that have not adopted ASU 2014-09, the amendments are effective at the same time ASU 2014-09 is effective. For entities that have adopted ASU 2014-09, the amendments are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, for a PBE; an NFP entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market; and an employee benefit plan that files or furnishes financial statements with or to the SEC. For non-PBEs that have not adopted ASU 2014-09, the amendments are effective at the same time ASU 2014-09 is effective. For all other entities that have adopted ASU 2014-09, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.</td>
<td>Yes</td>
<td>March 2017 EITF Snapshot</td>
<td></td>
</tr>
<tr>
<td>ASU Number</td>
<td>Description</td>
<td>Effective Dates</td>
<td>Yes/No</td>
<td>Announcement References</td>
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<tr>
<td>ASU 2017-04</td>
<td>Simplifying the Test for Goodwill Impairment (issued January 26, 2017)</td>
<td>For PBEs that are SEC filers, the amendments in the ASU are effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2019. For PBEs that are not SEC filers, the ASU's amendments are effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2020.</td>
<td>Yes, for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017</td>
<td></td>
</tr>
<tr>
<td>ASU 2017-03</td>
<td>Accounting Changes and Error Corrections (Topic 250) and Investments — Equity Method and Joint Ventures (Topic 323): Amendments to SEC Paragraphs Pursuant to Staff Announcements at the September 22, 2016 and November 17, 2016 EITF Meetings (issued January 23, 2017)</td>
<td>Effective upon issuance.</td>
<td>N/A</td>
<td>January 24, 2017, US GAAP Plus news item</td>
</tr>
<tr>
<td>ASU Number</td>
<td>Technical Description</td>
<td>Effective Dates</td>
<td>Action</td>
<td>Announcement Date</td>
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<tr>
<td>ASU 2016-19, Technical Corrections and Improvements (issued December 14, 2016)</td>
<td>Most of the amendments are effective immediately; however, there is transition guidance for certain amendments.</td>
<td>Most of the amendments are effective immediately; however, there is transition guidance for certain amendments.</td>
<td>Yes</td>
<td>November 17, 2016, Heads Up and A Roadmap to the Preparation of Cash Flows</td>
</tr>
<tr>
<td>ASU 2016-17, Interests Held Through Related Parties That Are Under Common Control (issued October 26, 2016)</td>
<td>Fiscal years beginning after December 15, 2016, including interim periods within those fiscal years.</td>
<td>Fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017.</td>
<td>Yes</td>
<td>November 1, 2016, Heads Up</td>
</tr>
<tr>
<td>ASU 2016-13, Measurement of Credit Losses on Financial Instruments (issued June 16, 2016)</td>
<td>For PBEs that are SEC filers, the amendments in the ASU are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other PBEs, the amendments in the ASU are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.</td>
<td>For all other entities, including NFPs 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, 2020, and interim periods within fiscal years beginning after December 15, 2021.</td>
<td>Yes, as of fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.</td>
<td>June 17, 2016, <em>Heads Up</em></td>
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<tr>
<td>ASU 2016-12, Revenue From Contracts With Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients (issued May 9, 2016)</td>
<td>See effective date information for ASU 2014-09 below.</td>
<td>See effective date information for ASU 2014-09 below.</td>
<td>Yes</td>
<td>May 11, 2016, <em>Heads Up</em></td>
</tr>
<tr>
<td>ASU 2016-10, Identifying Performance Obligations and Licensing (issued April 14, 2016)</td>
<td>See effective date information for ASU 2014-09 below.</td>
<td>See effective date information for ASU 2014-09 below.</td>
<td>Yes</td>
<td>April 15, 2016, <em>Heads Up</em></td>
</tr>
<tr>
<td>ASU 2016-08, Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net) (issued March 17, 2016)</td>
<td>See effective date information for ASU 2014-09 below.</td>
<td>See effective date information for ASU 2014-09 below.</td>
<td>Yes</td>
<td>March 22, 2016, <em>Heads Up</em></td>
</tr>
</tbody>
</table>
| **ASU 2016-02, Leases** (issued February 25, 2016) | Effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, for any of the following:  
  - PBEs  
  - NFPs 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. | Yes | March 1, 2016, and April 25, 2017, *Heads Up newsletters* |
<p>| <strong>ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities</strong> (issued January 5, 2016) | Fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. | For all other entities, including NFPs 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. | Certain provisions only | January 12, 2016, <em>Heads Up</em> |</p>
<table>
<thead>
<tr>
<th>ASU</th>
<th>Amendment to Topic</th>
<th>Effective Dates and Application</th>
<th>Classification of Deferred Taxes (issued November 20, 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU 2015-16</td>
<td>Simplifying the Accounting for Measurement-Period Adjustments (issued September 25, 2015)</td>
<td>Fiscal years beginning after December 15, 2015, including interim periods within those fiscal years.</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2015-14</td>
<td>Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date (issued August 12, 2015)</td>
<td>See effective date information for ASU 2014-09 below.</td>
<td>See effective date information for ASU 2014-09 below.</td>
</tr>
<tr>
<td>ASU Number</td>
<td>Description</td>
<td>Effective Dates</td>
<td>Applicability</td>
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</tbody>
</table>
For PBEs, certain NFPs, 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.


For PBEs, certain NFPs, and certain employee benefit plans, early application is permitted only as of annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016.

All other entities may apply the ASU early as of an annual reporting period beginning after December 15, 2016, and 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.

<table>
<thead>
<tr>
<th>PCAOB</th>
<th>Effective Date for PBEs</th>
<th>Early Adoption Allowed (Yes/No)</th>
<th>Deloitte Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Guidance</td>
<td>Subject to SEC approval, effective for audits of fiscal years ending on or after December 15, 2017, except for the paragraphs in the critical audit matters’ section, which are effective for audits of large accelerated filers for fiscal years ending on or after June 30, 2019 and for audits of all other companies for fiscal years ending on or after December 15, 2020.</td>
<td>Yes.</td>
<td>June 20, 2017, Heads Up</td>
</tr>
</tbody>
</table>

**A Roadmap to Applying the New Revenue Recognition Standard**

**Release 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, and approved by the SEC on May 9, 2016)**

Form AP disclosure regarding the engagement partner required for audit reports issued on or after January 31, 2017. Disclosure regarding other accounting firms required for audit reports issued on or after June 30, 2017.

**January 11, 2016, Audit & Assurance Update**

**Release 2015-002, Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Standards and Rules (issued March 31, 2015, and approved by the SEC on September 17, 2015)**

Effective as of December 31, 2016.

**April 1, 2015, journal entry**

<table>
<thead>
<tr>
<th>AICPA</th>
<th>Effective Date for Non-PBEs</th>
<th>Deloitte Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Final Guidance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAS 133, Auditor Involvement With Exempt Offering Documents (issued July 28, 2017)</td>
<td>Effective for exempt offering documents with which the auditor is involved that are initially distributed, circulated, or submitted on or after June 15, 2018.</td>
<td>February 23, 2017, US GAAP Plus news item</td>
</tr>
<tr>
<td>Final Guidance</td>
<td>Effective Date</td>
<td>Deloitte Resources</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Interpretive Release, Updates to Commission Guidance Regarding Accounting for Sales of Vaccines and Bioterror Countermeasures to the Federal Government for Placement Into the Pediatric Vaccine Stockpile or the Strategic National Stockpile (33-10403) (issued August 18, 2017)</td>
<td>August 29, 2017.</td>
<td>August 22, 2017, journal entry</td>
</tr>
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</tr>
<tr>
<td>Title</td>
<td>Date Published</td>
<td>Date Effective</td>
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<tr>
<td>IASB/IFRIC</td>
<td>Effective Date</td>
<td>Early Adoption (Yes/No)</td>
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</tr>
<tr>
<td><strong>Final Guidance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayment Features With Negative Compensation — amendments to IFRS 9 (issued October 12, 2017)</td>
<td>Annual reporting periods beginning on or after January 1, 2019.</td>
<td>Yes</td>
</tr>
<tr>
<td>IFRS 17, Insurance Contracts (issued May 18, 2017)</td>
<td>Annual reporting periods beginning on or after January 1, 2021.</td>
<td>Yes, for entities that apply IFRS 9 and IFRS 15.</td>
</tr>
<tr>
<td>Transfers of Investment Property — amendments to IAS 40 (issued December 8, 2016)</td>
<td>Annual periods beginning on or after January 1, 2018.</td>
<td>Yes</td>
</tr>
<tr>
<td>Annual Improvements to IFRSs: 2014–2016 Cycle (issued December 8, 2016)</td>
<td>Annual periods beginning on or after January 1, 2018, except the amendment to IFRS 12, which is effective for annual periods beginning on or after January 1, 2017.</td>
<td>Yes, for certain amendments.</td>
</tr>
<tr>
<td>IFRIC 22, Foreign Currency Transactions and Advance Consideration (issued December 8, 2016)</td>
<td>Annual reporting periods beginning on or after January 1, 2018.</td>
<td>Yes</td>
</tr>
<tr>
<td>Description</td>
<td>Application</td>
<td>Yes/No</td>
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<td>----------------------------------------------------------------------------</td>
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<tr>
<td><strong>Applying IFRS 9 Financial Instruments With IFRS 4</strong></td>
<td>At the same time as IFRS 9.</td>
<td></td>
</tr>
<tr>
<td>Insurance Contracts — amendments to IFRS 4 (issued September 12, 2016)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Classification and Measurement of Share-Based Payment Transactions</strong></td>
<td>Annual periods beginning on or after January 1, 2018.</td>
<td>Yes</td>
</tr>
<tr>
<td>— amendments to IFRS 2 (issued June 20, 2016)</td>
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</tr>
<tr>
<td><strong>Clarifications to IFRS 15</strong></td>
<td>At the same time as IFRS 15.</td>
<td>Yes</td>
</tr>
<tr>
<td>(issued April 12, 2016)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Disclosure Initiative</strong> — amendments to IAS 7 (issued January 29, 2016)</td>
<td>Annual periods beginning on or after January 1, 2017.</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Recognition of Deferred Tax Assets for Unrealised Losses</strong></td>
<td>Annual periods beginning on or after January 1, 2017.</td>
<td>Yes</td>
</tr>
<tr>
<td>— amendments to IAS 12 (issued January 19, 2016)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IFRS 16, Leases</strong> (issued January 12, 2016)</td>
<td>Annual periods beginning on or after January 1, 2019.</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>2015 Amendments to the IFRS for SMEs</strong> (issued May 21, 2015)</td>
<td>Annual periods beginning on or after January 1, 2017.</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>IFRS 9, Financial Instruments</strong> (issued July 24, 2014)</td>
<td>Annual periods beginning on or after January 1, 2018.</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>IFRS 15, Revenue From Contracts With Customers</strong> (issued May 28, 2014)</td>
<td>Annual periods beginning on or after January 1, 2018.</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Appendix B: Current Status of FASB Projects

This appendix summarizes the current status and next steps for the FASB’s active standard-setting projects (excluding research initiatives).

<table>
<thead>
<tr>
<th>Project</th>
<th>Status and Next Steps</th>
</tr>
</thead>
</table>
| Recognition and Measurement Projects | **Codification improvements** (previously referred to as technical corrections and improvements)  
On September 27, 2017, the FASB issued a **proposed ASU** that would make technical corrections and improvements related to recognition and measurement of financial instruments (ASU 2016-01) and leases (ASU 2016-02). Comments were due by November 13, 2017.  
On June 27, 2017, the FASB issued proposed ASUs that would eliminate (1) *ASC 995 related to U.S. steamship entities* and (2) outdated guidance in *ASC 942-740 for bad debt reserves of savings and loans*. Comments were due by August 28, 2017. On December 5, 2017, the FASB issued **ASU 2017-15**, which eliminates ASC 995.  
On October 3, 2017, the FASB issued a **proposed ASU** that would make Codification improvements to a wide variety of topics. Comments were due by December 4, 2017. | **Heads Up** — FASB Proposes Amendments to New Leasing Standard (October 3, 2017)  
**Journal Entry** — FASB Issues Proposed Technical Corrections and Improvements to ASU 2016-01 (September 28, 2017) |
| | **Collaborative arrangements: targeted improvements**  
The FASB added this project to its technical agenda on November 16, 2016. The purpose is to clarify when transactions between partners in a collaborative arrangement within the scope of ASC 808 should be accounted for as revenue transactions under ASC 606. On October 4, 2017, the Board discussed potential improvements to ASC 808. | |
| | **Consolidation reorganization and targeted improvements**  
On September 20, 2017, the FASB issued a **proposed ASU** that would reorganize the consolidation guidance in ASC 810 by dividing it into separate subtopics for voting interest entities and variable interest entities (VIEs). The new subtopics would be included in a new topic, ASC 812, which would supersede ASC 810. Comments on the proposal were due by December 4, 2017. | **Heads Up** — FASB Proposes to Reorganize Its Consolidation Guidance (October 5, 2017) |
<table>
<thead>
<tr>
<th>Topic</th>
<th>Details</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidation: targeted improvements to related-party guidance for VIEs</td>
<td>On June 22, 2017, the FASB published a proposed ASU under which (1) private companies “would not have to apply VIE guidance to legal entities under common control . . . if both the parent and the legal entity being evaluated for consolidation are not [PBES]”; (2) “[i]ndirect interests held through related parties in common control arrangements would be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests”; and (3) consolidation would no longer be mandatory when “power is shared among related parties or when commonly controlled related parties, as a group, have the characteristics of a controlling financial interest but no reporting entity individually has a controlling financial interest.” Comments on the proposal were due by September 5, 2017.</td>
<td>Heads Up — FASB Proposes Targeted Amendments to the Related-Party Guidance for Variable Interest Entities (July 14, 2017)</td>
</tr>
<tr>
<td>Customer’s accounting for implementation costs incurred in a cloud computing arrangement that is considered a service contract (EITF Issue 17-A)</td>
<td>On October 12, 2017, the EITF discussed a customer’s accounting for implementation costs incurred in a cloud computing arrangement (CCA) that is considered a service contract and tentatively concluded that CCAs “would include a software element that would be within the scope of [ASC] 350-40.” Further discussion is expected at a future EITF meeting.</td>
<td>EITF Snapshot (October 13, 2017)</td>
</tr>
<tr>
<td>Distinguishing liabilities from equity (including convertible debt)</td>
<td>The FASB added this project to its technical agenda on September 20, 2017. The purpose of the project is “to improve understandability and reduce complexity, without sacrificing the information that users of financial statements need.” The project will focus on “indexation and settlement (within the context of the derivative scope exception), along with convertible debt, disclosures, and earnings per share.” On December 13, 2017, the FASB discussed the project plan.</td>
<td></td>
</tr>
<tr>
<td>Improving the accounting for asset acquisitions and business combinations (phase 3 of the definition of a business project)</td>
<td>On August 2, 2017, the FASB tentatively decided that this project should (1) address differences between the accounting for acquisitions of assets and that for acquisitions of businesses and (2) focus on the accounting for transaction costs, in-process research and development, and contingent consideration.</td>
<td></td>
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</tbody>
</table>
On September 29, 2016, the FASB issued a proposed ASU that would make targeted improvements to the recognition, measurement, presentation, and disclosure requirements for long-duration contracts issued by insurance entities. The proposed approach would affect the assumptions used to measure the liability for future policy benefits, the measurement of market risk benefits, and the amortization of deferred acquisition costs. Comments on the proposal were due by December 15, 2016. On August 2, 2017, the Board began redeliberating the amendments and made decisions related to the liability for future policy benefits for nonparticipating traditional and limited-payment insurance contracts. On October 4, 2017, the FASB made decisions related to participating insurance contracts, deferred acquisition costs, and market risk benefits. On November 1, 2017, the FASB made decisions related to presentation, disclosures, and market risk benefits.

On September 25, 2017, the FASB issued a proposed ASU to provide optional transition guidance that would permit an entity not to apply ASC 842 to certain preexisting land easements. Comments on the proposed ASU were due by October 25, 2017. On November 29, 2017, the Board discussed feedback received and decided to proceed with issuing a final ASU. The FASB expects to issue the ASU in the first quarter of 2018.

At its November 29, 2017, Board meeting, the FASB tentatively decided to amend certain aspects of its new leasing standard, ASU 2016-02, in an attempt to provide relief from the costs of implementing the standard. The Board directed the staff to draft a proposed ASU for a vote by written ballot and expects to issue the proposed ASU in the first quarter of 2018 for a 30-day comment period.

Heads Up — FASB Tentatively Decides to Relieve Entities From Implementing Certain Aspects of the New Leasing Standard (December 5, 2017)
| Nonemployee share-based payment accounting improvements | On March 7, 2017, the FASB issued a proposed ASU that would simplify the accounting for share-based payments granted to nonemployees for goods and services. Under the proposal, most of the guidance on such payments would be aligned with the requirements for share-based payments granted to employees. Comments on the proposed ASU were due by June 5, 2017. On December 13, 2017, the FASB discussed feedback received and directed the staff to draft a final ASU for a vote by written ballot. The ASU will be effective for PBEs for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. For non-PBEs, the ASU will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted, but no earlier than an entity's adoption of ASU 2014-09. The FASB expects to issue the final ASU in the first quarter of 2018. |
| Revenue recognition: grants and contracts by NFPs | On August 3, 2017, the FASB issued a proposed ASU that would clarify (1) whether transactions should be accounted for as contributions (nonreciprocal transactions) under ASC 958 or as exchange (reciprocal) transactions under other guidance and (2) how to distinguish between conditional contributions and unconditional contributions. Comments on the proposal were due by November 1, 2017. On December 13, 2017, the FASB discussed a summary of comments received. The purpose of this project is to “improve and clarify existing guidance on revenue recognition of grants and contracts by not-for-profit entities.” |

**Presentation and Disclosure Projects**

<p>| Disclosure framework: disclosure review — 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 were due by April 25, 2016. At its July 13, 2016, meeting, the FASB discussed feedback on its proposed ASU and directed its staff to conduct additional research. |
| Heads Up — FASB Proposes Improvements to the Accounting for Share-Based Payment Arrangements With Nonemployees (March 10, 2017) | Heads Up — FASB Proposes Guidance on Presentation of Net Periodic Benefit Cost and Disclosures Related to Defined Benefit Plans (January 28, 2016) |</p>
<table>
<thead>
<tr>
<th>Disclosure framework: disclosure review</th>
<th>Date of Announcement</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>fair value measurement</td>
<td>December 3, 2015</td>
<td>On December 3, 2015, the FASB issued a proposed ASU that would modify the disclosure requirements related to fair value measurement. Comments on the proposal were due by February 29, 2016. At its June 1, 2016, meeting, the FASB discussed comments received on its proposed ASU and directed its staff to reach out to investors and other financial statement users regarding the proposal.</td>
</tr>
<tr>
<td>income taxes</td>
<td>June 26, 2016</td>
<td>On June 26, 2016, the FASB issued a proposed ASU that would modify existing and add new income tax disclosure requirements. Comments on the proposed ASU were due by September 30, 2016. On January 25, 2017, the Board discussed the feedback received on the proposed ASU.</td>
</tr>
<tr>
<td>inventory</td>
<td>January 10, 2017</td>
<td>On January 10, 2017, the FASB issued a proposed ASU that would modify or eliminate certain disclosure requirements related to inventory and establish new requirements. Comments on the proposed ASU were due by March 13, 2017. On June 21, 2017, the Board discussed a summary of comments received.</td>
</tr>
<tr>
<td>interim reporting</td>
<td>May 28, 2014</td>
<td>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.”</td>
</tr>
<tr>
<td>entity’s decision process</td>
<td>September 24, 2015</td>
<td>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 and 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. Comments on the proposal were due by December 8, 2015. On November 8, 2017, the FASB decided to remove the reference to materiality as a legal concept.</td>
</tr>
</tbody>
</table>

*Heads Up — FASB Proposes Amendments to the Disclosure Requirements for Fair Value Measurements (December 8, 2015)*

*Heads Up — FASB Proposes Updates to Income Tax Disclosure Requirements (July 29, 2016)*

*Heads Up — FASB Proposes Updates to Inventory Disclosures (January 12, 2017)*

*Journal Entry — FASB Tentatively Decides to Amend Definition of Materiality (November 13, 2017)*
<table>
<thead>
<tr>
<th>Statement</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosures by business entities about government assistance</td>
<td>On November 12, 2015, the FASB issued a <strong>proposed ASU</strong> that would require specific disclosures about government assistance received by businesses. Comments on the proposed ASU were due by February 10, 2016. At its June 8, 2016, meeting, the FASB made <strong>tentative decisions</strong> about the project’s scope, whether to require disclosures about government assistance received but not recognized directly in the financial statements, and omission of information when restrictions preclude an entity from disclosing the information required.</td>
</tr>
<tr>
<td><strong>Heads Up</strong> — FASB Proposes ASU to Increase Transparency of Accounting for Government Assistance Arrangements (November 20, 2015)</td>
<td><strong>Journal Entry</strong> — FASB Begins Redeliberating Project on Business Entities’ Disclosures About Government Assistance (June 14, 2016)</td>
</tr>
<tr>
<td>Financial performance reporting – disaggregation of performance information</td>
<td>The FASB <strong>added</strong> this project to its technical agenda on September 20, 2017, “to focus on the disaggregation of performance information either through presentation in the statement of income or disclosure in the notes.” On December 13, 2017, the FASB discussed the project plan.</td>
</tr>
<tr>
<td>Segment reporting</td>
<td>The FASB <strong>added</strong> this project to its technical agenda on September 20, 2017. The purpose of the project is to improve “the aggregation criteria and segment disclosures.” On December 13, 2017, the FASB discussed the project plan.</td>
</tr>
<tr>
<td>Simplifying the balance sheet classification of debt</td>
<td>On January 10, 2017, the FASB issued a <strong>proposed ASU</strong> that would reduce the complexity of determining whether debt should be classified as current or noncurrent in a classified balance sheet. Comments on the proposal were due by May 5, 2017. On June 28, 2017, the Board <strong>discussed</strong> a summary of comments received. On September 13, 2017, the Board concluded its redeliberations and <strong>directed</strong> the staff to draft a final ASU for a vote by written ballot. The FASB expects to issue this ASU in the first quarter of 2018.</td>
</tr>
<tr>
<td><strong>Heads Up</strong> — FASB Proposes Changes to Simplify the Balance Sheet Classification of Debt (January 12, 2017)</td>
<td><strong>Journal Entry</strong> — FASB Concludes Redeliberations on Simplifying the Balance Sheet Classification of Debt (Current Versus Noncurrent) (September 15, 2017)</td>
</tr>
</tbody>
</table>
### Framework Projects

#### Conceptual framework

**Presentation**
On August 11, 2016, the FASB issued a **proposed concepts statement** that would add a new chapter on presentation of financial statement information to the conceptual framework. Comments were due by November 9, 2016. On May 3, 2017, the FASB discussed feedback received.

**Measurement**
On June 18, 2014, the Board decided to begin developing concepts related to measurement. On November 30, 2016, the FASB continued its discussion of issues related to the development of a proposed concepts statement on measurement.

**Elements**
On May 3, 2017, the FASB decided to add a conceptual framework project on elements. On August 30, 2017, the FASB made decisions related to the definitions of an asset and a liability. On October 11, 2017, the Board discussed working definitions of revenues and expenses.

#### Disclosure framework: 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.

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. Comments on the ED were due by December 8, 2015.

On October 4, 2017, and November 1, 2017, the Board discussed issues related to the proposed concepts statement. On November 8, 2017, the FASB decided to remove the reference to materiality as a legal concept.

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**Heads Up** — FASB Proposes Decision Process for Determining Disclosures to Require in Notes to Financial Statements (March 6, 2014)

**Heads Up** — FASB’s Proposed ASU States That Omissions of Immaterial Disclosures Are Not Accounting Errors (September 28, 2015)

**Journal entry** — FASB Tentatively Decides to Amend Definition of Materiality (November 13, 2017)
Appendix C: New Deloitte U.S. Accounting Publications

**Roadmap Series**

* A Roadmap to Accounting for Income Taxes (December 14, 2017)
* A Roadmap to Accounting for Contracts on an Entity's Own Equity (December 7, 2017)
* A Roadmap to Reporting Discontinued Operations (November 30, 2017)
* A Roadmap to Accounting for Share-Based Payment Awards (upon adoption of ASUs 2016-09 and 2017-09) (November 17, 2017)
* A Roadmap to Non-GAAP Financial Measures (November 10, 2017)
* A Roadmap to Segment Reporting (October 27, 2017)
* A Roadmap to Accounting for Asset Acquisitions (October 25, 2017)
* A Roadmap to Applying the New Revenue Recognition Standard (issued September 28, 2017)

**Annual Industry Publications**


**Heads Up Newsletters**

* Highlights of the 2017 AICPA Conference on Current SEC and PCAOB Developments (December 10, 2017)
* FASB Tentatively Decides to Relieve Entities From Implementing Certain Aspects of the New Leasing Standard (December 5, 2017)
* The New Revenue Standard — Are We There Yet? (November 21, 2017)
* SEC Issues New and Revised Guidance to Clarify Its CEO Pay Ratio Rule (October 17, 2017)
* SEC Issues Proposed Rule to Modernize and Simplify Certain Regulation S-K Requirements (October 16, 2017)
* FASB Proposes to Reorganize Its Consolidation Guidance (October 5, 2017)
* FASB Proposes Amendments to New Leasing Standard (October 3, 2017)

**EITF Snapshot Newsletter**

October 2017

**Industry Spotlight Series**

* Automotive Spotlight — SEC Gives Automotive Suppliers Driving Directions to Account for Preproduction Activities Under the New Revenue Standard (November 28, 2017; originally issued in September 2017)


**Financial Reporting Alert**


Deloitte Accounting Journal Entries

FASB Votes to Finalize ASU on Improving the Accounting for Share-Based Payment Arrangements With Nonemployees (December 14, 2017)

CAQ SEC Regulations Committee Releases Highlights of September 26, 2017, Joint Meeting With SEC Staff (December 13, 2017)

CAQ SEC Regulations Committee Releases Highlights of July 11, 2017, Joint Meeting With SEC Staff (November 20, 2017)

FASB Tentatively Decides to Amend Definition of Materiality (November 13, 2017)

Insurance Project — FASB Continues Redeliberating Targeted Improvements to the Long-Duration Insurance Contracts Accounting Model (November 8, 2017)

FASB Addresses the Estimated Life of Credit Card Receivables (October 5, 2017)

FASB Issues Proposed Technical Corrections and Improvements to ASU 2016-01 (September 28, 2017)
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