

Heads Up

No Foolin'

FASB Tentatively Decides to Defer the New Revenue Standard for One Year

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The FASB tentatively decided today to defer for one year the effective date of the new revenue standard (ASU 2014-09¹) for public and nonpublic entities reporting under U.S. GAAP. The Board also tentatively decided to permit entities to early adopt the standard. The tentative decisions will be exposed in an upcoming proposed Accounting Standards Update (ASU) with a 30-day comment period.

If the changes in the proposed ASU are finalized to extend by a year (and not otherwise modify) ASU 2014-09's nonpublic-entity effective-date elections, entities reporting under U.S. GAAP will adopt the new standard as follows:

- *Public entities* — The standard will be effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017.
- *Nonpublic entities* — The standard will be 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 may also elect to apply the standard as of any of the following:
 - The same effective date as that for public entities (annual reporting periods beginning after December 15, 2017, including interim periods).
 - Annual periods beginning after December 15, 2017 (excluding interim reporting periods).
 - Annual periods beginning after December 15, 2018 (including interim reporting periods).

Under the Board's decision, entities would be permitted to early adopt the standard as of the original effective date in ASU 2014-09 (i.e., annual reporting periods beginning after December 15, 2016).

Editor's Note: The IASB plans to discuss this issue later in April. It is currently unclear whether the IASB will defer the effective date of IFRS 15.²

The FASB today also approved the issuance of a proposed ASU (with a 45-day comment period) on determining the nature of licenses and identifying performance obligations.³ The proposal reflects tentative decisions made by the Board at its February 2015 meeting.

¹ FASB Accounting Standards Update No. 2014-09, *Revenue From Contracts With Customers*.

² IFRS 15, *Revenue From Contracts With Customers*.

³ See Deloitte's February 19, 2015, *Heads Up* for additional information.

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