

# US Week in Review

Week ending 21 March 2024

The US Week in Review highlights this week's developments and emerging issues in the financial reporting world and gives you direct access to relevant technical accounting guidance and thought leadership produced by EY.

## In this issue:

What's new from EY.....	1
Regulatory matters.....	2
Standard Setter updates.....	2
Upcoming webcasts.....	2

## What's new from EY

---

### **Updated Technical Line, Navigating the requirements for merging with a special purpose acquisition company, reflects new SEC rules**

Our Technical Line has been updated to reflect the SEC's recently adopted new and amended rules that are intended to more closely align the requirements and legal obligations of parties involved in de-SPAC transactions with those of parties involved in traditional initial public offerings (IPOs). The updated publication discusses the key accounting and reporting requirements SPACs and companies considering merging with a SPAC should be aware of, including new disclosures for SPAC IPOs and de-SPAC transactions, among other related changes.

### **Comment letter provides additional input on PCAOB's proposal to expand auditor's responsibilities for considering noncompliance with laws and regulations**

In our comment letter we provide our views on certain topics addressed in the PCAOB staff's briefing paper on the proposal that were discussed at the roundtable on 6 March 2024. While we continue to support the PCAOB's efforts to modernize its standards, we express concerns about the threshold that auditors would apply when identifying all laws and about the extent of the auditor's procedures to address the risk of material misstatement related to noncompliance with indirect laws and regulations under the proposal. We also recommend that the PCAOB repropose the amendments.

### **March 2024 Financial reporting briefs issued**

The March 2024 edition of *Financial reporting briefs* summarizes the major accounting and regulatory developments during the quarter, including the SEC's new rules on climate-related disclosures. It includes a reference library listing the EY publications issued during the period and other recent publications.

## Regulatory matters

---

### Securities and Exchange Commission (SEC)

#### **Appeals court stays SEC's climate-related disclosure rules in response to lawsuit**

The US Court of Appeals for the Fifth Circuit granted a request for an administrative stay of the SEC's climate-related disclosure rules in response to one of the several lawsuits filed challenging the rules. The stay temporarily prevents the rules from taking effect while litigation continues. More developments are expected as the court that will hear the challenges to the rules on a consolidated basis is determined. The rules, adopted on 6 March 2024, require registrants to include certain climate-related information in their registration statements and annual reports.

## Standard Setter updates

---

### Financial Accounting Standards Board (FASB)

#### **FASB clarifies when profits interest awards are in the scope of ASC 718**

The FASB issued an [Accounting Standards Update](#) to add an example illustrating how an entity applies the scope guidance in Accounting Standards Codification 718, Compensation - Stock Compensation, to assist in determining whether a profits interest or similar award should be accounted for as a share-based payment arrangement under that guidance or should be accounted for under another accounting standard. See our upcoming [To the Point](#).

#### **ASB names Jackson M. Day as director of technical activities**

The FASB [named](#) Jackson M. Day as director of technical activities, starting in July. He will join the FASB from Ernst & Young LLP, where he is a partner working in Professional Practice.

#### **SEC accepts 2024 GAAP financial reporting and SEC reporting taxonomies**

#### **FASB discusses Accounting for and disclosure of software costs at its 20 March meeting**

#### **FASB to discuss Disaggregation: income statement expenses and Accounting for environmental credit programs at its 27 March meeting**

## Upcoming webcasts

---

#### **What you need to know for Q1 2024 financial reporting (Replay - offering 2 of 2)**

26 March 2024, 1 p.m. Eastern time

#### **Audit committee considerations for Q1 2024**

9 April 2024, 3 p.m. Eastern time

Information regarding upcoming events can be found on the [EY webcasts site](#).

EY | Building a better working world

© 2024 Ernst & Young LLP.  
All Rights Reserved.

[ey.com/en\\_us/assurance/accountinglink](https://ey.com/en_us/assurance/accountinglink)

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](#). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](#). Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax or other professional advice. Please refer to your advisors for specific advice.