

US Week in Review

Week ending 21 November 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.



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What's new from EY

To the Point: FASB proposes clarifying interim disclosure requirements

To the Point: FASB staff seeks input on research project on financial key performance indicators

Register for our quarterly financial reporting webcast on 12 December

Our *What you need to know for Q4 2024 financial reporting* webcast will be held on 12 December from 1 p.m. to 2 p.m. Eastern time.

Standard Setter updates

Financial Accounting Standards Board (FASB)

FASB proposes guidance on accounting for government grants received by business entities

The FASB proposed establishing guidance on the recognition, measurement and presentation of a government grant received by a business entity. Many business entities currently analogize to IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, to account for government grants due to the lack of authoritative guidance in US GAAP. The proposal would leverage the guidance in IAS 20, modifying certain aspects of its scope, recognition threshold and other implementation guidance. Comments are due by 31 March 2025. See our upcoming *To the Point*.

FASB directs staff to draft proposed ASUs on clarifying the adoption timing for disaggregation of income statement expenses and on issuance of new debt to repay old debt at its 20 November meeting



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Public Company Accounting Oversight Board (PCAOB)

PCAOB adopts requirements on disclosures of firm and engagement metrics and amendments related to firm reporting (both are subject to SEC approval)

PCAOB updates anticipated timing of next Board action on NOCLAR project to 2025 from 2024

PCAOB amends rule on registration of inactive audit firms

Other

Nigeria and Egypt now have a three-year cumulative inflation rate over 100%

Data published by the governments of Nigeria and Egypt indicates the cumulative three-year inflation rate of each country exceeded 100% as of 31 August and 30 September, respectively.

ASC 830, *Foreign Currency Matters*, requires a foreign entity in a highly inflationary economy to remeasure its financial statements using its parent's reporting currency as of the beginning of the reporting period, including interim reporting periods, following the period in which the economy becomes highly inflationary. An economy is considered highly inflationary when it has a cumulative inflation rate of approximately 100% or more over a three-year period.

Entities with foreign operations in these countries should consider the recent inflation data when preparing interim financial statements to determine whether to change the functional currency of their foreign entity operations to their reporting currency. The change would be required for reporting periods beginning 1 October for calendar year-end entities.

The most recent **publication** issued by the International Practices Task Force (IPTF) following their May 2024 meeting includes data for countries that were projected to reach cumulative three-year inflation rates exceeding 100% in the current year or should otherwise be monitored. The IPTF is expected to issue an updated publication in December. Given global inflation trends, entities with foreign operations should monitor inflation in countries in which they operate that have high levels of inflation.

Upcoming webcasts

Navigating interest rate, FX and commodity volatility with derivatives

3 December 2024, 12 p.m. Eastern time

Challenging the status quo: exploring today's compliance trends

4 December 2024, 2 p.m. Eastern time

What you need to know for Q4 2024 financial reporting

12 December 2024, 1 p.m. Eastern time

What audit committees need to know for 2025

19 December 2024, 3 p.m. Eastern time

Information regarding upcoming events can be found on the **EY webcasts site**.

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