This 2018 Standard Setter Update highlights significant developments in financial reporting and accounting between 1 January 2018 and 31 December 2018, except as noted. Our Standard Setter Update publications also summarize certain proposals under consideration by the Financial Accounting Standards Board (FASB or Board), the Emerging Issues Task Force (EITF), the Private Company Council (PCC), the Securities and Exchange Commission (SEC or Commission), the Public Company Accounting Oversight Board (PCAOB), the Auditing Standards Board (ASB) and the Governmental Accounting Standards Board (GASB). For additional details on these developments, we refer you to related EY publications, many of which can be found on our AccountingLink website. We will continue to keep you informed about important developments as they occur.

Ernst & Young LLP

January 2019

Contents

Financial Accounting Standards Board................................................................. 1
Securities and Exchange Commission ................................................................. 21
Public Company Accounting Oversight Board.................................................... 38
Auditing Standards Board ................................................................................... 40
Governmental Accounting Standards Board....................................................... 46
Effective date matrices ....................................................................................... 51
Pronouncements and proposals

Financial Accounting Standards Board

Final FASB guidance

<table>
<thead>
<tr>
<th>Pronouncements</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leases (Topic 842), Narrow-Scope Improvements for Lessors (ASU 2018-20)</td>
<td>1</td>
</tr>
<tr>
<td>Codification Improvements to Topic 326, Financial Instruments – Credit Losses (ASU 2018-19)</td>
<td>1</td>
</tr>
<tr>
<td>Collaborative Arrangements (Topic 808), Clarifying the Interaction between Topic 808 and Topic 606 (ASU 2018-18)</td>
<td>2</td>
</tr>
<tr>
<td>Consolidation (Topic 810), Targeted Improvements to Related Party Guidance for Variable Interest Entities (ASU 2018-17)</td>
<td>2</td>
</tr>
<tr>
<td>Derivatives and Hedging (Topic 815), Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes (ASU 2018-16)</td>
<td>3</td>
</tr>
<tr>
<td>Fair Value Measurement (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13)</td>
<td>4</td>
</tr>
<tr>
<td>Financial Services – Insurance (Topic 944), Targeted Improvements to the Accounting for Long-Duration Contracts (ASU 2018-12)</td>
<td>5</td>
</tr>
<tr>
<td>Leases (Topic 842), Targeted Improvements (ASU 2018-11)</td>
<td>5</td>
</tr>
<tr>
<td>Codification Improvements to Topic 842, Leases (ASU 2018-10)</td>
<td>6</td>
</tr>
<tr>
<td>Codification Improvements (ASU 2018-09)</td>
<td>6</td>
</tr>
<tr>
<td>Not-For-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08)</td>
<td>7</td>
</tr>
<tr>
<td>Compensation – Stock Compensation (Topic 718), Improvements to Nonemployee Share-Based Payment Accounting (ASU 2018-07)</td>
<td>7</td>
</tr>
<tr>
<td>Codification Improvements to Topic 942, Financial Services – Depository and Lending (ASU 2018-06)</td>
<td>8</td>
</tr>
<tr>
<td>Income Taxes (Topic 740), Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (SEC Update) (ASU 2018-05)</td>
<td>8</td>
</tr>
<tr>
<td>Investments – Debt Securities (Topic 320) and Regulated Operations (Topic 980), Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 117 and SEC Release No. 33-9273 (SEC Update) (ASU 2018-04)</td>
<td>9</td>
</tr>
<tr>
<td>Income Statement – Reporting Comprehensive Income (Topic 220), Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (ASU 2018-02)</td>
<td>9</td>
</tr>
<tr>
<td>Leases (Topic 842), Land Easement Practical Expedient for Transition to Topic 842 (ASU 2018-01)</td>
<td>10</td>
</tr>
</tbody>
</table>
Amendments to Statement of Financial Accounting Concepts No. 8, Conceptual Framework for Financial Reporting, Chapter 3, Qualitative Characteristics of Useful Financial Information ... 11

Final guidance expected soon
- Not-For-Profit Entities (Topic 958), Updating the Definition of Collections ......................... 12
- Debt (Topic 470), Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent) ................................................................. 12

FASB exposure documents
Issued this quarter
- Intangibles — Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958), Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities ......................... 14
- Leases (Topic 842), Codification Improvements for Lessors .................................................... 14
- Codification Improvements — Financial Instruments ................................................................. 15
- Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350), Improvements to Accounting for Costs of Films and License Agreements for Program Materials (EITF Issue 18-B) ...................................................... 16

Approved but not issued in Q4 2018
- Recognition under Topic 805 for an Assumed Liability in a Revenue Contract (EITF Issue 18-A).... 16

Other proposals previously issued
- Consolidation (Topic 812), Reorganization ................................................................................. 17
- Inventory (Topic 330), Disclosure Framework — Changes to the Disclosure Requirements for Inventory ........................................................................................................ 17
- Income Taxes (Topic 740), Disclosure Framework — Changes to the Disclosure Requirements for Income Taxes ........................................................................................ 18
- Government Assistance (Topic 832), Disclosures by Business Entities about Government Assistance ........................................................................................................ 19

Other FASB
- What’s next — agenda highlights ............................................................................................ 20
Securities and Exchange Commission

SEC final rules

Disclosure of Hedging by Employees or Directors (Release No. 33-10593) .............................................. 21
Amendments to Regulation A (Release No. 33-10591) .................................................................................. 21
Modernization of Property Disclosures for Mining Registrants (Release Nos. 33-10570, 34-84509) ................................................................. 21
Disclosure Update and Simplification (Release Nos. 33-10532, 34-83875, IC-33203) ...................... 22
Exempt Offerings Pursuant to Compensatory Arrangements (Release No. 33-10520) ......................... 23
Amendments to Smaller Reporting Company Definition (Release Nos. 33-10513, 34-83550) ... 23
Inline XBRL Filing of Tagged Data (Release Nos. 33-10514, 34-83551, IC-33139) ..................... 24
Investment Company Liquidity Disclosure (Release No. IC-33142) ...................................................... 25
Optional Internet Availability of Investment Company Shareholder Reports (Release Nos. 33-10506, 34-83380, IC-33115) ......................................................... 25
Investment Company Liquidity Risk Management Programs; Commission Guidance for In-Kind ETFs (Release No. IC-33010) ................................................. 25

SEC rule proposals and other releases

Issued this quarter

Fund of Funds Arrangements (Release Nos. 33-10590, IC-33329) .......................................................... 27
Request for Comment on Earnings Releases and Quarterly Reports (Release No. 33-10588) .... 27

Other proposals previously issued

Financial Disclosures About Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralize a Registrant’s Securities (Release No. 33-10526) .......... 28
Concept Release on Compensatory Securities Offerings and Sales (Release No. 33-10521) ...... 29
Amendments to the Commission’s Whistleblower Program Rules (Release No. 33-83557) ...... 29
Exchange-Traded Funds (Release No. 33-10515) ................................................................................ 29
Request for Comments on the Processing Fees Charged By Intermediaries For Distributing Materials Other Than Proxy Materials to Fund Investors (Release Nos. 33-10505, 34-83379, IC-33114) ................................................................. 30
Auditor Independence with Respect to Certain Loans or Debtor-Creditor Relationships (Release Nos. 33-10491, 34-83157, IC-33091, IA-4904) ......................... 30
FAST Act Modernization and Simplification of Regulation S-K (Release No. 33-10425) ............... 31
Amendments to Investment Advisers Act Rules to Reflect Changes Made by the FAST Act (Release No. IA-4697) ................................................................. 31
Proposals required by statute but not on the SEC’s current rulemaking agenda ...................... 32
SEC interpretive releases and SEC staff guidance

SEC staff issues guidance on certain proxy shareholder proposals .................................................. 33
SEC staff provides interpretive guidance on new interim requirement for reconciliation
of changes in shareholders’ equity ................................................................................................. 33
Compliance and disclosure interpretations on non-GAAP measures ........................................... 33
Commission Statement and Guidance on Public Company Cybersecurity Disclosures
(Release No. 33-10459) ............................................................................................................. 34

Other SEC

2019 US GAAP financial reporting and SEC reporting taxonomies now available ................. 35
SEC highlights securities law on the issuance and trading of digital assets ............................... 35
SEC report on cyber-related fraud ............................................................................................... 36
‘Bedbug letters’ are now published on EDGAR ............................................................................. 36
SEC staff updates its questions and answers on the IFRS XBRL taxonomy ............................... 36
Approval of changes to NYSE direct listing rules ........................................................................ 36

Public Company Accounting Oversight Board

PCAOB proposed standards and other projects

Adopted by PCAOB, subject to SEC approval

Amendments to Auditing Standards for Auditor’s Use of the Work of Specialists
(PCAOB Release No. 2018-006) .................................................................................................. 38
Auditing Accounting Estimates, Including Fair Value Measurements
(PCAOB Release No. 2018-005) ............................................................................................... 38

Proposals previously issued

Supplemental Request for Comment: Proposed Amendments Relating to the Supervision of
Audits Involving Other Auditors and Proposed Auditing Standard – Dividing Responsibility
for the Audit with Another Accounting Firm (PCAOB Release No. 2017-005) ......................... 39

Auditing Standards Board

ASB exposure drafts

Proposals previously issued

Revisions to Statement on Standards for Attestation Engagements No. 18,
Attestation Standards: Clarification and Recodification .............................................................. 40
Auditor Reporting; Addressing Disclosures in the Audit of Financial Statements ..................... 41
The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports .......... 41
Omnibus Statement on Auditing Standards – 2018 ..................................................................... 42
Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans
Subject to ERISA ......................................................................................................................... 42
AICPA – other

Final standards
- Omnibus Statement on Standards for Accounting and Review Services – 2018 (SSARS No. 24)...

Proposals
- Proposed Statement on Standards for Attestation Engagements, Selected Procedures

Governmental Accounting Standards Board

Final GASB guidance
- GASB Statement No. 90, Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61
- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

GASB exposure drafts
- Issued this quarter
- Implementation Guidance Update – 2019
- Other proposals previously issued
- Conduit Debt Obligations

Other GASB
- Implementation Guidance – Fiduciary Activities
- Preliminary Views, Financial Reporting Model Improvements
- Preliminary Views, Recognition of Elements of Financial Statements
- Invitation to Comment, Revenue and Expense Recognition
- What’s next – agenda highlights

Effective date matrices
- Effective date matrix – final FASB pronouncements
- Effective date matrix – final SEC pronouncements and interpretive releases
- Effective date matrix – final PCAOB pronouncements and rules
- Effective date matrix – final AICPA standards
- Effective date matrix – final GASB pronouncements
Leases (Topic 842), Narrow-Scope Improvements for Lessors (ASU 2018-20)

**Date issued:** 10 December 2018

**Summary**

The new leases standard was amended to allow lessors to make an accounting policy election not to evaluate whether sales taxes and other similar taxes imposed by a governmental authority on a specific lease revenue-producing transaction are the primary obligation of the lessor as owner of the underlying leased asset. A lessor that makes this election will exclude these taxes from the measurement of lease revenue and the associated expense. The amendments also require a lessor to (1) exclude lessor costs paid directly by a lessee to third parties on the lessor's behalf from variable payments and therefore variable lease revenue and (2) include lessor costs that are paid by the lessor and reimbursed by the lessee in the measurement of variable lease revenue and the associated expense. The amendments also clarify that when lessors allocate variable payments to lease and non-lease components they are required to follow the recognition guidance in the new leases standard for the lease component and other applicable guidance, such as the new revenue standard, for the non-lease component.

**Effective date and transition**

The amendments have the same effective date and transition requirements as the new leases standard for entities that have not yet adopted the standard. Entities that early adopted the new leases standard may apply the amendments in the current reporting period, in their next reporting period or on the date they would have been required to adopt Accounting Standards Codification (ASC or Codification) 842. The amendments may be applied either retrospectively or prospectively.

**Other resources**

- To the Point, FASB makes narrow-scope amendments to help lessors apply the new leases standard (SCORE No. 05219-181US)

Codification Improvements to Topic 326, Financial Instruments – Credit Losses (ASU 2018-19)

**Date issued:** 15 November 2018

**Summary**

The Accounting Standards Update (ASU) changes the effective date of the new guidance on credit losses for entities other than public business entities (PBEs) to annual periods beginning after 15 December 2021, including interim periods within those annual periods. It also clarifies that operating lease receivables accounted for under ASC 842 are not in the scope of the new credit losses guidance.

**Effective date and transition**

The effective date and transition requirements for the amendments are the same as the effective dates and transition requirements in ASU 2016-13, as amended by this ASU.
**Collaborative Arrangements (Topic 808), Clarifying the Interaction between Topic 808 and Topic 606 (ASU 2018-18)**

*Date issued:* 5 November 2018

**Summary**

The FASB amended ASC 808 and ASC 606 to clarify that transactions in a collaborative arrangement should be accounted for under ASC 606 when the counterparty is a customer for a distinct good or service (i.e., unit of account). The amendments preclude an entity from presenting consideration from a transaction in a collaborative arrangement as revenue from contracts with customers if the counterparty is not a customer for that transaction.

**Effective date and transition**

For PBEs, the amendments are effective for fiscal years beginning after 15 December 2019, and interim periods in those fiscal years. For all other entities, they are effective for fiscal years beginning after 15 December 2020, and interim periods in fiscal years beginning after 15 December 2021. Entities are required to apply the amendments retrospectively to the date they initially applied ASC 606, and they may elect to do so either for all contracts or only for contracts that are not completed at the date they initially applied ASC 606 (i.e., the date of initial application). Early adoption is permitted, including in any interim period, provided an entity has already adopted ASC 606 or does so concurrently with the adoption of this guidance.

**Other resources**

- To the Point, *FASB clarifies the guidance on collaborative arrangements* (SCORE No. 04876-181US)

**Consolidation (Topic 810), Targeted Improvements to Related Party Guidance for Variable Interest Entities (ASU 2018-17)**

*Date issued:* 31 October 2018

**Summary**

A new private company accounting alternative was created to allow private companies to make an accounting policy election to not apply the variable interest entity guidance (i.e., the new alternative) to common control arrangements if certain criteria are met. The new alternative replaces the previous alternative that applied only to leasing arrangements between private companies under common control. The new guidance also changes how all entities evaluate decision-making fees under the variable interest entity guidance. To determine whether decision-making fees represent a variable interest, an entity considers indirect interests held through related parties under common control on a proportionate basis under the new guidance, rather than in their entirety, as has been the case under US GAAP.

**Effective date and transition**

For entities other than private companies, the guidance on decision-making fees is effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years. The guidance is effective for private companies for fiscal years beginning after 15 December 2020, and interim periods within fiscal years beginning after 15 December 2021. Early adoption is permitted. All entities are required to apply the guidance retrospectively with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented.
Derivatives and Hedging (Topic 815), Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes (ASU 2018-16)

Date issued: 25 October 2018

Summary

The overnight index swap rate based on the Secured Overnight Financing Rate was added to the list of US benchmark interest rates in ASC 815 that are eligible to be hedged. As a result, entities may designate changes in this rate as the hedged risk in hedges of interest rate risk for fixed-rate financial instruments. The Secured Overnight Financing Rate was identified as the preferred reference rate alternative to the London Interbank Offered Rate in the US by a committee convened by the Federal Reserve Board and the Federal Reserve Bank of New York.

Effective date and transition

Entities may apply the amendments to new or redesignated hedging relationships entered into on or after the date of adoption. Entities that have not yet adopted the new hedging guidance in ASU 2017-12 will apply the new amendments when they adopt that guidance. For PBEs that have already adopted ASU 2017-12, the amendments are effective for fiscal years beginning after 15 December 2018, and interim periods within those fiscal years. For all other entities that have adopted ASU 2017-12, the amendments are effective for fiscal years beginning after 15 December 2019, and interim periods within those fiscal years. Early adoption, including adoption in an interim period, is permitted, as long as the entity has adopted ASU 2017-12.


Date issued: 29 August 2018

Summary

A customer in a cloud computing arrangement (i.e., a hosting arrangement) that is a service contract is required to follow the internal-use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets or expense as incurred. That guidance requires certain costs incurred during the application development stage to be capitalized and other costs incurred during the preliminary project and post-implementation stages to be expensed as they are incurred. Capitalized implementation costs related to a hosting arrangement that is a service contract will be amortized over the term of the
hosting arrangement, beginning when the module or component of the hosting arrangement is ready for its intended use. A customer’s accounting for the hosting component of the arrangement (i.e., service costs it pays for the cloud computing services) is not affected.

**Effective date and transition**

The guidance is effective for PBEs for annual periods beginning after 15 December 2019, including interim periods within those annual periods. For all other entities, the guidance is effective for annual periods beginning after 15 December 2020, and interim periods in annual periods beginning after 15 December 2021. Early adoption is permitted, including adoption in any interim period. Entities can either apply the guidance prospectively to all implementation costs incurred after the date of adoption or retrospectively in accordance with ASC 250-10-45-5 through 45-10.

**Other resources**

- Technical Line, *FASB issues guidance on accounting for implementation costs in cloud computing arrangements* (SCORE No. 04271-181US)


**Date issued:** 28 August 2018

**Summary**

The guidance changes the disclosure requirements for employers that sponsor defined benefit pension and/or other postretirement benefit plans. It eliminates requirements for certain disclosures that are no longer considered cost beneficial and requires new ones that the FASB considers pertinent.

**Effective date and transition**

The guidance is effective for financial statements issued for fiscal years ending after 15 December 2020 for PBEs and fiscal years ending after 15 December 2021 for all other entities. Early adoption is permitted. Entities will apply the amendments retrospectively.

**Other resources**

- To the Point, *FASB makes minor changes to disclosure requirements for sponsors of defined benefit plans* (SCORE No. 04245-181US)

**Fair Value Measurement (Topic 820), Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13)**

**Date issued:** 28 August 2018

**Summary**

The guidance eliminates, adds and modifies certain disclosure requirements for fair value measurements. For example, entities will no longer have to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, but public companies will be required to disclose the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements. The guidance also modifies certain disclosure requirements for nonpublic entities to make them less burdensome.
Effective date
The guidance is effective for all entities for fiscal years beginning after 15 December 2019, and interim periods within those years. Entities are permitted to early adopt the entire standard or only the provisions that eliminate or modify the requirements.

Other resources
- To the Point, FASB changes requirements for fair value measurement disclosures (SCORE No. 04244-181US)

Financial Services – Insurance (Topic 944), Targeted Improvements to the Accounting for Long-Duration Contracts (ASU 2018-12)

Date issued: 15 August 2018
Summary
This guidance changes how insurers will account for long-duration contracts, including how they measure, recognize and make disclosures about insurance liabilities and deferred acquisition costs. Insurers will be required to review cash flow assumptions at least annually and update them if necessary. They also will have to make quarterly updates to the discount rate assumptions they use to measure the liability for future policyholder benefits. The guidance also creates a new category of market risk benefits (i.e., features that protect the contract holder from capital market risk and expose the insurer to that risk) that insurers will have to measure at fair value.

Effective date
The guidance is effective for PBEs for fiscal years beginning after 15 December 2020, and interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after 15 December 2021, and interim periods within fiscal years beginning after 15 December 2022. Early adoption is permitted.

Other resources
- Technical Line, A closer look at how insurers will have to change their accounting and disclosures for long-duration contracts (SCORE No. 05073-181US)
- To the Point, FASB changes how insurers measure and disclose liabilities for long-duration insurance contracts (SCORE No. 04171-181US)

Leases (Topic 842), Targeted Improvements (ASU 2018-11)

Date issued: 30 July 2018
Summary
The FASB amended ASC 842, Leases, to add a transition option allowing entities to not apply the new leases standard, including its disclosure requirements, in the comparative periods they present in their financial statements in the year of adoption. The ASU also provides lessors with a practical expedient allowing them to elect, by class of underlying asset, to not separate non-lease components from the associated lease components when certain criteria are met. Lessors will account for the combined
component in accordance with ASC 606 if the associated non-lease components are the predominant components. Otherwise, the lessor will account for the combined component as an operating lease in accordance with ASC 842.

**Effective date**
The amendments have the same effective date as the new leases standard, which is effective for PBEs, certain not-for-profit (NFP) entities and certain employee benefit plans for fiscal years beginning after 15 December 2018, and interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after 15 December 2019, and interim periods within fiscal years beginning after 15 December 2020. Lessors that early adopted that guidance may apply the practical expedient either in the first reporting period following the issuance of this ASU or on the date they would have been required to adopt ASC 842.

**Other resources**
- To the Point, *FASB adds transition option and practical expedient for lessors to new leases standard* (SCORE No. 04097-181US)

**Codification Improvements to Topic 842, Leases (ASU 2018-10)**

**Date issued:** 18 July 2018

**Summary**
The FASB issued narrow amendments to clarify how to apply certain aspects of the new leases standard. The clarifications address the rate implicit in the lease, impairment of the net investment in the lease, lessee reassessment of lease classification, lessee reassessment of lease term and purchase options, variable payments that depend on an index or rate and certain transition adjustments, among other things.

**Effective date**
The amendments have the same effective date as the new leases standard. For entities that have early adopted ASC 842, the amendments are effective immediately.

**Other resources**
- To the Point, *FASB issues narrow amendments to the new leases standard* (SCORE No. 03969-181US)

**Codification Improvements (ASU 2018-09)**

**Date issued:** 16 July 2018

**Summary**
The ASU amends a variety of topics in the Codification to clarify the guidance, correct errors or make minor improvements.

**Effective date**
Transition guidance is provided for many of the amendments, but some were effective upon issuance.
Not-For-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08)

**Date issued:** 21 June 2018

**Summary**
The guidance clarifies how entities determine whether to account for a transfer of assets (or a reduction, settlement or cancellation of a liability) as an exchange transaction or a contribution. The new guidance also clarifies that a contribution is conditional if the agreement includes both a barrier (or barriers) that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor’s obligation to transfer assets. While accounting for contributions primarily affects NFPs, the clarified guidance applies to all entities (including business entities) that receive or make contributions, except for certain transactions such as transfers of assets business entities receive from government entities.

**Effective date**
For PBEs or NFPs that have issued or are conduit bond obligors for securities that are traded, listed or quoted on an exchange or an over-the-counter market, the guidance is effective for annual periods beginning after 15 June 2018 (including interim periods therein) for resource recipients, and for annual periods beginning after 15 December 2018 (including interim periods therein) for resource providers.

For other entities, it is effective for annual periods beginning after 15 December 2018 and interim periods within annual periods beginning after 15 December 2019 for resource recipients, and annual periods beginning after 15 December 2019 and interim periods within annual periods beginning after 15 December 2020 for resource providers. Early adoption is permitted.

**Other resources**
- To the Point, FASB clarifies the guidance for contributions received and contributions made (SCORE No. 03769-181US)

Compensation – Stock Compensation (Topic 718), Improvements to Nonemployee Share-Based Payment Accounting (ASU 2018-07)

**Date issued:** 20 June 2018

**Summary**
The ASU aligns the measurement and classification guidance for share-based payments to nonemployees with that for employees, with certain exceptions. It expands the scope of ASC 718 to include share-based payments granted to nonemployees in exchange for goods or services used or consumed in the entity's own operations and supersedes the guidance in ASC 505-50. The ASU retains the existing cost attribution guidance, which requires entities to recognize compensation cost for nonemployee awards in the same period and in the same manner (i.e., capitalize or expense) they would if they paid cash for the goods or services, but it moves the guidance to ASC 718. The guidance also allows nonpublic entities to account for nonemployee awards using certain practical expedients that are already available for employee awards, but the same accounting policies must be used for awards to both employees and nonemployees.
Effective date

The guidance is effective for PBEs for fiscal years beginning after 15 December 2018, and interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after 15 December 2019, and interim periods within fiscal years beginning after 15 December 2020. Early adoption is permitted, including in an interim period for which financial statements have not been issued (or made available for issuance), but not before an entity adopts ASC 606.

Other resources

- To the Point, *FASB simplifies the accounting for share-based payments to nonemployees* (SCORE No. 03768-181US)

Codification Improvements to Topic 942, Financial Services – Depository and Lending (ASU 2018-06)

*Date issued: 7 May 2018*

*Summary*

The ASU eliminates the guidance in ASC 942, *Financial Services – Depository and Lending*, related to Banking Circular 202, Accounting for Net Deferred Tax Charges, of the Office of the Comptroller of the Currency (OCC), which was rescinded by the OCC.

*Effective date*

The guidance was effective upon issuance.

Income Taxes (Topic 740), Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (SEC Update) (ASU 2018-05)

*Date issued: 13 March 2018*

*Summary*

The guidance amends SEC paragraphs in ASC 740, *Income Taxes*, to reflect SEC Staff Accounting Bulletin (SAB) 118, which provides guidance for companies that are not able to complete their accounting for the income tax effects of the Tax Cuts and Jobs Act (the Act or tax reform) in the period of enactment.

*Other resources*

Investments – Debt Securities (Topic 320) and Regulated Operations (Topic 980), Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 117 and SEC Release No. 33-9273 (SEC Update) (ASU 2018-04)

Date issued: 9 March 2018

Summary
The guidance supersedes SEC paragraphs in ASC 320, Investments – Debt Securities, as a result of the issuance of SAB 117. The ASU also updates the Codification for a 2011 SEC release.

Effective date
The amendments related to ASC 320 are effective when a registrant adopts ASU 2016-01.


Date issued: 28 February 2018

Summary
The amendments clarify that entities use a prospective transition approach only for equity securities they elect to measure using the new measurement alternative.

The amended guidance also clarifies that an entity that uses the measurement alternative for equity securities without readily determinable fair values can change its measurement approach to fair value (i.e., apply ASC 820). Entities that elect to change their measurement approach for an equity security will have to do so for that security and all identical or similar investments of the same issuer. Under the new guidance, this election is irrevocable and will apply to all future purchases of identical or similar investments of the same issuer.

The amendments also clarify other aspects of the guidance on how to apply the measurement alternative and the presentation requirements for financial liabilities measured under the fair value option.

Effective date and transition
The guidance is effective for PBEs for fiscal years beginning after 15 December 2017, and interim periods within those fiscal years beginning after 15 June 2018. Early adoption is permitted, including adoption in an interim period.

For other entities, the amendments have the same effective date and transition requirements as ASU 2016-01. These entities are allowed to early adopt the amendments if they have adopted ASU 2016-01.

Other resources
- To the Point, FASB amends new guidance on recognizing and measuring financial instruments (SCORE No. 01156-181US)
- Technical Line, A closer look at the new guidance on recognizing and measuring financial instruments (SCORE No. 06214-171US)
Income Statement – Reporting Comprehensive Income (Topic 220), Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (ASU 2018-02)

*Date issued:* 14 February 2018

**Summary**
Entities are permitted to reclassify tax effects stranded in accumulated other comprehensive income (OCI) as a result of tax reform to retained earnings. An entity that elects to reclassify these amounts must reclassify stranded tax effects related to the change in federal tax rate for all items accounted for in OCI (e.g., available-for-sale securities, employee benefits, cumulative translation adjustments, hedging items). These entities can also elect to reclassify other stranded tax effects that relate to the Act but do not directly relate to the change in the federal rate (e.g., state taxes, changing from a worldwide tax system to a territorial system). Tax effects that are stranded in OCI for other reasons (e.g., prior changes in tax law, a change in valuation allowance) may not be reclassified. Entities also are required to make new disclosures, regardless of whether they elect to reclassify stranded amounts.

**Effective date and transition**
The guidance is effective for fiscal years beginning after 15 December 2018, and interim periods within those fiscal years. Early adoption is permitted for periods for which financial statements have not yet been issued or made available for issuance, including in the period the Act was enacted (i.e., the reporting period including 22 December 2017). An entity that adopts the guidance in an annual or interim period after the period of enactment will be able to choose whether to apply the amendments retrospectively to each period in which the effect of the Act is recognized or to apply the amendments in the period of adoption.

**Other resources**
- To the Point, *FASB issues guidance on reclassification from OCI of tax effects related to tax reform* (SCORE No. 00899-181US)

Leases (Topic 842), Land Easement Practical Expedient for Transition to Topic 842 (ASU 2018-01)

*Date issued:* 25 January 2018

**Summary**
The guidance provides an optional transition practical expedient that permits an entity to continue applying its current accounting for land easements that exist or expire before the effective date of the new leases standard. An entity that elects the practical expedient must apply it to all of its existing or expired land easements that were not previously accounted for under today’s leases guidance.

The amendments clarify that an entity should evaluate whether land easements are leases under the new guidance in ASC 842, *Leases*, before applying the guidance on intangible assets, except for easements accounted for under the practical expedient. The amendments also clarify that perpetual easements are not leases because they do not convey the right to use the underlying land for a period of time.
Effective date and transition
The effective date and transition requirements are the same as the effective date and transition requirements for the new leases standard. For an entity that early adopted ASC 842, the amendments are effective immediately.

Other resources
- To the Point, FASB issues transition practical expedient for land easements and clarification on applying ASC 842 (SCORE No. 00516-181US)


Date issued: 28 August 2018

Summary
The FASB added a new chapter to its Conceptual Framework that addresses the type of information the Board should consider when setting requirements for disclosures in the notes to the financial statements. Statements of Financial Accounting Concepts are not a source of authoritative GAAP. Rather, they set forth principles on which financial accounting and reporting standards will be based.

Amendments to Statement of Financial Accounting Concepts No. 8, Conceptual Framework for Financial Reporting, Chapter 3, Qualitative Characteristics of Useful Financial Information

Date issued: 28 August 2018

Summary
The Board amended the Conceptual Framework to align the FASB’s definition of materiality with other definitions in the financial reporting system. Statements of Financial Accounting Concepts are not a source of authoritative GAAP. Rather, they set forth principles on which financial accounting and reporting standards will be based.
The FASB has completed deliberations on these proposals and is expected to issue final guidance soon.

**Not-For-Profit Entities (Topic 958), Updating the Definition of Collections**

*Date proposal issued: 26 June 2018 – comment period ended 10 August 2018*

The definition of collections in the Codification would be aligned with the definition in the American Alliance of Museums’ Code of Ethics for Museums. The change would expand one of the criteria that defines collections that an entity may choose not to recognize and capitalize. Currently, the collections must be subject to an organizational policy that requires proceeds from sales of collection items to be used for the acquisition of other items for collections. The new definition would allow that policy to limit use of the proceeds to the direct care of existing collections as well.

**Effective date and transition**

The amendments would be effective for all entities for annual periods beginning after 15 December 2019, and for interim periods within annual periods beginning after 15 December 2020. Prospective transition would be required.

**Other resources**

- FASB Project Update: Updating the Definition of Collections

**Debt (Topic 470), Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent)**

*Date proposal issued: 10 January 2017 – comment period ended 5 May 2017*

**Summary**

Entities would determine whether to classify debt arrangements (and other instruments in the scope of the guidance) as current or noncurrent on a classified balance sheet using a principles-based approach. Debt would be classified as noncurrent only when it is contractually due to be settled more than one year (or operating cycle, if longer) after the balance sheet date or when the entity has a contractual right to defer settlement of the liability for at least one year (or operating cycle, if longer) after the balance sheet date. While this approach would require entities to classify debt based on the contractual rights provided in the debt arrangement and the facts and circumstances as of the balance sheet date, an exception would be provided for waivers of debt covenant violations received after the balance sheet date but before the financial statements are issued, provided certain conditions are met. Entities would no longer be able to consider their intent and ability to refinance short-term obligations after the balance sheet date on a long-term basis to support noncurrent classification.

The Board clarified in redeliberations that if a borrower violates a covenant of a long-term debt arrangement, but the violation does not make the debt callable as of the balance sheet date because of a contractual grace period, the borrower would classify the debt as noncurrent under the new classification principle. This is because the debt cannot be called by the creditor as of the balance sheet date. The Board also tentatively decided to require an entity to disclose information about the covenant violation and grace period only if the violation has not been cured before the financial statements are issued (or available to be issued) and the violation would make the noncurrent debt callable.
In addition, the Board tentatively decided that unused long-term financing arrangements (e.g., an unused line of credit) in place at the balance sheet date should be disregarded when determining the classification of other debt. However, the Board asked the staff to conduct additional research on a potential alternative that considers a contractual linkage between the long-term financing arrangements and the debt before finalizing the guidance.

**Effective date and transition**

For PBEs, the guidance would be effective for fiscal years beginning after 15 December 2020, and interim periods within those fiscal years. For all other entities, it would be effective for fiscal years beginning after 15 December 2021, and interim periods within fiscal years beginning after 15 December 2022. Early adoption would be permitted, and entities would apply the guidance prospectively.

**Other resources**

- FASB Project Update: Simplifying the Balance Sheet Classification of Debt
- To the Point, *Proposal would simplify how entities determine the balance sheet classification of debt* (SCORE No. 00154-171US)
- Comment letter (SCORE No. 03112-171US)
Issued this quarter

Intangibles – Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958), Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities

*Date issued:* 20 December 2018 – comment period ends 18 February 2019

*Summary*

The FASB proposed allowing NFPs to apply accounting alternatives that are currently only available to private companies to simplify their subsequent accounting for goodwill and their accounting for certain intangible assets they acquire. NFPs that elect the goodwill accounting alternative would amortize goodwill on a straight-line basis over 10 years and perform a one-step impairment test only when an impairment indicator exists. NFPs would perform the impairment test at either the entity level or the reporting unit level. NFPs that elect the intangible asset accounting alternative would recognize fewer intangible assets in an acquisition, and they would be required to elect the goodwill accounting alternative.

*Effective date*

An effective date has not yet been determined.

*Other resources*

- FASB Project Update, Extending Private Company Accounting Alternatives on Certain Identifiable Intangible Assets and Goodwill to Not-for-Profit Entities
- To the Point, *FASB proposes allowing NFPs to simplify their accounting for goodwill and intangible assets* (SCORE No. 05330-181US)

Leases (Topic 842), Codification Improvements for Lessors

*Date issued:* 19 December 2018 – comment period ends 15 January 2019

*Summary*

The proposal would add guidance to ASC 842 that is similar to the guidance in ASC 840-10-55-44 and would allow lessors that are not manufacturers or dealers to use their cost, less any volume or trade discounts, as the fair value for the underlying asset, as long as there isn’t a significant amount of time between acquisition of the asset and lease commencement. The proposal also would clarify that lessors in the scope of ASC 942 should classify principal payments received from sales-type and direct financing leases in investing activities in the statement of cash flows.

*Effective date*

The amendments would be effective for PBEs, certain NFPs and certain employee benefit plans for fiscal years beginning after 15 December 2019, and interim periods within those fiscal years. For all other entities, they would be effective for fiscal years beginning after 15 December 2019, and interim periods beginning after 15 December 2020. Early adoption would be permitted.
Other resources

- FASB Project Update: Codification Improvements – Lessors
- To the Point, FASB proposes more amendments to help lessors apply the new leases standard (SCORE No. 05315-181US)
- Comment letter (SCORE No. 05395-191US)

Codification Improvements – Financial Instruments

*Date issued: 19 November 2018 – comment period ends 18 January 2019*

**Summary**

The proposal would clarify the scope of the credit losses standard and address issues related to accrued interest receivable balances, recoveries, variable interest rates and prepayments, and address how transfers of securities and loans between categories should be accounted for, among other things. It also would clarify aspects of the new hedge accounting guidance regarding partial-term fair value hedges, fair value hedge basis adjustments, application by not-for-profits and private companies and certain transition requirements, among other things. In addition, the proposal would clarify the scope of the guidance on recognizing and measuring financial instruments, certain disclosure requirements and the guidance on which equity securities have to be remeasured at historical exchange rates.

**Effective date and transition**

For entities that have not yet adopted the new standards, the proposed amendments would have the same effective dates and transition requirements as each of the new standards.

For entities that have already adopted the new standards on credit losses and recognizing and measuring financial instruments, the Board has not yet determined the effective date.

For entities that have already adopted the new hedging standard, the proposed amendments would be effective at the earlier of the beginning of the first interim or first annual period after final guidance is issued. Early adoption would be permitted. Entities would either retrospectively apply the amendments as of the date they adopted ASU 2017-12 or prospectively apply them as of the date they adopt the amendments, with certain exceptions.

Other resources

- FASB Project Update: Codification Improvements – Financial Instruments
- To the Point, FASB proposes changes to the three new standards on financial instruments (SCORE No. 04672-181US)
- Comment letter (SCORE No. 05324-181US)
Entertainment – Films – Other Assets – Film Costs (Subtopic 926-20) and Entertainment – Broadcasters – Intangibles – Goodwill and Other (Subtopic 920-350), Improvements to Accounting for Costs of Films and License Agreements for Program Materials (EITF Issue 18-B)

**Date issued:** 7 November 2018 – comment period ended 7 December 2018

**Summary**
The proposal would align the guidance in ASC 926-20 on accounting for production costs of episodic television series with the accounting for production costs of films. The proposal would eliminate the requirement that an entity limit the capitalization of costs for an episodic television series to contracted revenues until the entity has persuasive evidence that a secondary market exists. It also would amend the amortization guidance to require prospective adjustments for changes in estimates of the use of a film in a film group, align the impairment models in ASC 926-20 and ASC 920-350, identify impairment indicators and specify the unit of account for impairment testing.

**Effective date**
An effective date has not yet been determined.

**Other resources**
- FASB Project Update: EITF Issue No. 18-B: Improvements to Accounting for Episodic Television Series
- EITF Update, September 2018 meeting highlights (SCORE No. 04468-181US)

**Approved but not issued in Q4 2018**

Recognition under Topic 805 for an Assumed Liability in a Revenue Contract (EITF Issue 18-A)

**Date issued:** (Consensus-for-exposure reached by the EITF in September 2018 and ratified by the FASB in October 2018. A Proposed ASU has not yet been issued.)

**Summary**
Under the business combination guidance (after adoption of ASC 606), an acquiring entity would recognize an assumed liability in a revenue contract with a customer if it meets the definition of a performance obligation in ASC 606.

The EITF did not reach a consensus-for-exposure on how acquiring entities should measure a liability assumed in a business combination related to a revenue contract with a customer, but recommended that the FASB staff prepare an Invitation to Comment to solicit input about measurement and other related topics.

**Effective date and transition**
An effective date has not yet been determined.

**Other resources**
- FASB Project Update: EITF Issue No. 18-A: Recognition under Topic 805 for an Assumed Liability in a Revenue Contract
- EITF Update, September 2018 meeting highlights (SCORE No. 04468-181US)
Other proposals previously issued

Consolidation (Topic 812), Reorganization

*Date issued:* 20 September 2017 – comment period ended 4 December 2017

*Summary*

The consolidation guidance would be reorganized in a new topic, ASC 812, which would separately address variable interest entities and voting interest entities in response to stakeholders’ concerns that today’s guidance is difficult to navigate. The guidance on the consolidation of entities controlled by contract would be moved to ASC 958, *Not-for-Profit Entities*, and certain aspects of the consolidation guidance would be clarified.

During redeliberations, the Board instructed the staff to develop non-authoritative educational material to address the more difficult areas of the consolidation guidance with the goal of supporting and supplementing the reorganized consolidation guidance, once it is finalized by the FASB.

*Effective date and transition*

The effective date has not yet been determined. Companies that have already adopted ASU 2015-02 would be required to apply the proposed guidance retrospectively to all relevant prior periods beginning with the fiscal year in which the amendments in ASU 2015-02 were initially applied. Companies that have not yet adopted ASU 2015-02 would be required to adopt the proposed guidance at the same time using the same transition method.

*Other resources*

- FASB Project Update: Consolidation Reorganization and Targeted Improvements
- Comment letter (SCORE No. 06795-171US)

Inventory (Topic 330), Disclosure Framework – Changes to the Disclosure Requirements for Inventory

*Date issued:* 10 January 2017 – comment period ended 13 March 2017

*Summary*

All entities would be required to make additional disclosures about changes in inventory that are outside the normal purchase, manufacture or sale of inventory and the composition of inventory. All entities also would have to make certain inventory disclosures currently required by the SEC. Entities that make segment disclosures would have to make disclosures about inventory by reportable segment if they provide that information to the chief operating decision maker. Entities that apply the retail inventory method would have to make additional qualitative and quantitative disclosures about the critical assumptions they use in their inventory calculations.

*Effective date and transition*

The effective date has not yet been determined. The guidance would be applied prospectively.
Other resources
- FASB Project Update: Disclosure Framework – Disclosure Review: Inventory
- To the Point, FASB proposes changes to inventory disclosure requirements (SCORE No. 00156-171US)
- Comment letter (SCORE No. 01419-171US)

Concepts Statement No. 8 – Conceptual Framework for Financial Reporting, Chapter 7: Presentation

Date issued: 11 August 2016 – comment period ended 9 November 2016

Summary
The FASB proposed adding a new chapter to its conceptual framework that would provide the Board with a framework to use when determining how information should be presented in the financial statements. The objective is to enhance the ability of financial statement users to assess prospects for future cash flows by addressing how to (1) group individual recognized items into line items and subtotals and (2) clarify the relationships among assets, liabilities and equity and the effects of related changes of those assets and liabilities on comprehensive income and cash flows.

Other resources
- FASB Project Update: Conceptual Framework – Presentation

Income Taxes (Topic 740), Disclosure Framework – Changes to the Disclosure Requirements for Income Taxes

Date issued: 26 July 2016 – comment period ended 30 September 2016

Summary
Entities would be required to make additional disclosures, such as the disaggregation of domestic and foreign income from continuing operations, income tax expense and income taxes paid. The proposal would change the disclosure requirements related to uncertain tax positions and broaden the applicability of certain existing income tax disclosure requirements by replacing the term public entity with public business entity.

Effective date and transition
The effective date has not yet been determined. The guidance would be applied prospectively.

Other resources
Government Assistance (Topic 832), Disclosures by Business Entities about Government Assistance

**Date issued:** 12 November 2015 – comment period ended 10 February 2016

**Summary**
For-profit entities would be required to make certain disclosures about assistance they receive resulting from legally enforceable agreements with governments. The disclosures would include information to help financial statement users understand the nature, terms and conditions of the government assistance entities receive and their accounting policies for the assistance.

During redeliberations, the Board tentatively decided that the amendments would apply to grants of assets, tax assistance, low-interest-rate loans, loan guarantees and forgiveness of liabilities.

**Effective date**
The guidance would be effective for PBEs for fiscal years ending after 15 December 2020, and fiscal years ending after 15 December 2021, for non-PBEs. Early adoption would be permitted.

**Other resources**
- FASB Project Update: Disclosures by Business Entities about Government Assistance
What’s next – agenda highlights

FASB agenda
In addition to the topics above, the FASB’s agenda includes:

- Codification improvements: share-based consideration payable to a customer
- Codification improvements: hedge accounting
- Codification improvements: financial instruments – credit losses (vintage disclosure: gross write-offs and gross recoveries)
- Financial instruments – credit losses: targeted transition relief
- Facilitation of the effects of the LIBOR to the SOFR transition on financial reporting
- Hedging: last-of-layer method
- Financial performance reporting: disaggregation of performance information
- Segment reporting
- Disclosure framework: disclosures (interim reporting)
- Improving the accounting for asset acquisitions and business combinations
- Distinguishing liabilities from equity (including convertible debt)
- Identifiable intangible assets and subsequent accounting for goodwill
- Conceptual framework: measurement
- Conceptual framework: elements
- Codification improvements

EITF agenda
The next EITF meeting is scheduled for 17 January 2019.

PCC agenda
In December, the PCC decided to add a project to its agenda to consider adding a practical expedient that private companies could use to measure the fair value of equity-classified awards under ASC 718 (PCC Issue No. 18-01). Members of the PCC and the FASB discussed the FASB’s projects on (1) Disclosures by business entities about government assistance, (2) Distinguishing liabilities from equity, (3) Identifiable intangible assets and subsequent accounting for goodwill and (4) Codification improvements: share-based consideration payable to a customer. They also discussed the FASB’s research project on Disclosure improvements in response to the SEC release on disclosure update and simplification. The next meeting is scheduled for 2 April 2019.

Other resources
- FASB Technical Agenda
- Private Company Council Meetings
Disclosure of Hedging by Employees or Directors (Release No. 33-10593)

__Date issued:__ 20 December 2018

**Summary**

The new rule implementing Section 955 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires companies to disclose any practices or policies regarding the ability of employees (including officers) or directors to engage in transactions that hedge or offset any decrease in the market value of the company’s equity securities or those of certain related entities. Registrants that do not have such policies or practices must disclose that fact or state that hedging transactions are generally permitted. The rule applies to all equity securities held by employees, officers and directors, directly or indirectly, not just equity securities granted as compensation. Disclosures will also be required in proxy or information statements related to the election of directors.

Registrants other than smaller reporting companies (SRCs) and emerging growth companies (EGCs) must provide the disclosures during fiscal years beginning on or after 1 July 2019. SRCs and EGCs must provide the disclosures during fiscal years beginning on or after 1 July 2020. Listed closed-end funds and foreign private issuers are not subject to the rules.

**Effective date**

The rule is effective 30 days after publication in the Federal Register.

Amendments to Regulation A (Release No. 33-10591)

__Date issued:__ 19 December 2018

**Summary**

The new rule allows Securities Exchange Act (Exchange Act) reporting companies to use the Regulation A exemptions for securities offerings of up to $50 million within a 12-month period. The new rule will also permit Exchange Act reporting companies to use their Exchange Act reports to satisfy their ongoing reporting obligations under Tier 2 of Regulation A. The rule is expected to give public companies more flexibility to raise capital. The amendments were mandated by the Economic Growth, Regulatory Relief, and Consumer Protection Act.

**Effective date**

The rule is effective upon publication in the Federal Register.

Modernization of Property Disclosures for Mining Registrants (Release Nos. 33-10570, 34-84509)

__Date issued:__ 31 October 2018

**Summary**

The rule modernizes the property disclosure requirements for mining registrants. The rule rescinds Industry Guide 7 and incorporates the mining property disclosure requirements in Regulation S-K. The rule will more closely align the SEC’s mining property disclosure requirements with current industry and global regulatory practices and standards.
Under the new rule, in addition to information about mineral reserves for properties that are individually material, mining registrants will have to provide a summary about mineral resources and material exploration results for groups of properties that may be individually immaterial but material in the aggregate. The disclosures also will have to include support from a mining technical expert and describe a registrant's internal controls over the reliability of its property disclosures and estimates.

The new disclosure requirements will apply to any domestic or foreign registrant (other than certain Canadian issuers) with mining operations that are material to its business or financial condition.

Effective date
The rule is effective 25 February 2019. Registrants must begin providing the new disclosures in fiscal years beginning on or after 1 January 2021. Early adoption is permitted.

Disclosure Update and Simplification (Release Nos. 33-10532, 34-83875, IC-33203)

Date issued: 17 August 2018

Summary
The rule eliminates or amends disclosure requirements that are redundant or outdated in light of changes in SEC requirements, US GAAP, IFRS, or changes in technology or the business environment. The Commission also referred certain disclosure requirements to the FASB for potential incorporation into US GAAP. The amendments are intended to simplify compliance for registrants without substantially changing the information provided to investors.

The SEC eliminated requirements in 15 areas (including consolidation, income taxes, related parties, contingencies and interim reporting) that require substantially the same information as other Commission rules, US GAAP or IFRS. For example, the SEC eliminated Rule 10-01(b)(5) of Regulation S-X, which required disclosure of the effect of discontinued operations on interim revenues, net income and earnings per share for all periods presented because these disclosures are also required by US GAAP.

The SEC also eliminated overlapping requirements, which it defined as those that are related to but not the same as US GAAP, IFRS or other SEC requirements. These include SEC requirements to provide all accounting policies about derivative instruments, the ratio of earnings to fixed charges and financial information about business segments in the description of business section of filings.

Registrants will have to consider a new rule that requires them to include in their interim financial statements a reconciliation of changes in stockholders’ equity in the notes or as a separate statement. This analysis should reconcile the beginning balance to the ending balance of each caption in stockholders’ equity for each period for which an income statement is required to be filed and comply with the remaining content requirements of Rule 3-04 of Regulation S-X. As a result, registrants will have to provide the reconciliation for both the year-to-date and quarterly periods and comparable periods in Form 10-Q but only for the year-to-date periods in registration statements.

Effective date
The amendments were effective on 5 November 2018. However, the SEC staff would not object if a registrant waits until it files Form 10-Q for the quarter that begins after the effective date to comply with the new requirements on the equity reconciliation. See discussion of the related SEC staff interpretive guidance below.
Other resources

- To the Point, SEC amends rules to eliminate redundant and outdated disclosures
  (SCORE No. 04207-181US)

Exempt Offerings Pursuant to Compensatory Arrangements (Release No. 33-10520)

Date issued: 18 July 2018

Summary
The SEC amended Rule 701(e) under the Securities Act of 1933 to double to $10 million the value of equity securities a private company can issue or sell to employees and other covered persons in a 12-month period without triggering financial statement and disclosure requirements to those investors. The change was mandated by the Economic Growth, Regulatory Relief, and Consumer Protection Act.

The SEC also issued a related concept release. See details below.

Effective date
The amendment was effective on 23 July 2018.

Amendments to Smaller Reporting Company Definition
(Release Nos. 33-10513, 34-83550)

Date issued: 28 June 2018

Summary
The SEC amended the definition of an SRC to allow more companies to provide scaled disclosures in SEC filings. The SEC expanded the applicability of the revenue threshold from its original proposal, and it raised the public float threshold as proposed.

Under the new definition, a company will initially qualify for SRC status if it has either (1) a public float of less than $250 million (up from $75 million) or (2) annual revenues of less than $100 million as of the most recently completed fiscal year and it has no public float (i.e., it doesn’t have any public common equity outstanding or a public market price for its common equity) or it has a public float of less than $700 million.

For the first fiscal year ending after the rule becomes effective, a registrant can qualify as an SRC if it meets either of these thresholds even if it previously did not qualify as an SRC. After the initial determination, a registrant that was not previously an SRC may qualify as an SRC if its public float falls below $200 million at the determination date or if its revenues for the most recently completed fiscal year are less than $80 million and it has public float of less than $560 million (including if it has no public float).

The SEC also amended Rule 3-05 of Regulation S-X to allow a registrant to omit financial statements of its acquired or to be acquired business for the earliest of the three fiscal years otherwise required by Rule 3-05 if the net revenues of that business are less than $100 million (up from $50 million) in the most recent fiscal year.
The SEC did not raise the $75 million public float threshold in the definition of an accelerated filer. As a result, some SRCs may remain subject to accelerated reporting deadlines and the requirement for an auditor attestation on internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act. However, the SEC has added a project to its short-term rulemaking agenda to consider amending the accelerated filer definition.

**Effective date**
The amendments were effective 10 September 2018.

**Inline XBRL Filing of Tagged Data (Release Nos. 33-10514, 34-83551, IC-33139)**

*Date issued:* 28 June 2018

**Summary**
The rule requires operating companies and mutual funds to use Inline XBRL and embed tags when filing financial statements and risk/return summaries, respectively. The rule requires Inline XBRL tagging of the same information operating companies and mutual funds currently include in separate XBRL exhibits. Like XBRL exhibits today, Inline XBRL data does not have to be certified by officers. Similarly, the rule does not require registrants to involve their auditors with the Inline XBRL information.

The Inline XBRL requirements apply to all operating companies, including emerging growth companies, smaller reporting companies and foreign private issuers (FPIs) that prepare their financial statements in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

The rule eliminates both the requirement for operating companies and mutual funds to post XBRL data on their websites and the requirement for mutual funds to file their XBRL-tagged risk/return summaries within 15 business days.

**Effective date**
The rule was effective 17 September 2018. The transition dates are phased in for operating companies based on their filing status and for mutual funds based on their net assets.

Operating companies filing as large accelerated, accelerated and non-accelerated filers are required to comply beginning with fiscal periods ending on or after 15 June 2019, 2020 and 2021, respectively. Filers are required to comply beginning with their first Form 10-Q filed for the fiscal period ending on or after their applicable date (e.g., a calendar-year large accelerated filer must use Inline XBRL tagging in its Form 10-Q filed for the quarter ending 30 June 2019). FPIs that prepare their financial statements in accordance with IFRS as issued by the IASB are required to comply beginning with fiscal periods ending on or after 15 June 2021.

Larger mutual funds (i.e., funds with net assets of $1 billion or more as of the end of the most recent fiscal year) have to comply with the requirement two years after the rule becomes effective. Smaller mutual funds have to comply with the requirement three years after the rule becomes effective.
Investment Company Liquidity Disclosure (Release No. IC-33142)

Date issued: 28 June 2018

Summary
The SEC adopted amendments to its liquidity disclosure rules to require open-end funds to discuss the operation and effectiveness of their liquidity risk management programs in their annual or semiannual shareholder report, rather than provide a quantitative end-of-period snapshot of the aggregate liquidity classification data for their portfolios on Form N-PORT.

The SEC also amended Form N-PORT to permit funds to split their portfolio holdings into more than one liquidity classification category under three specified circumstances and to require them to disclose cash and cash equivalents held that are not reported elsewhere on Form N-PORT.

Effective date
The amendments were effective 10 September 2018.

Optional Internet Availability of Investment Company Shareholder Reports (Release Nos. 33-10506, 34-83380, IC-33115)

Date issued: 5 June 2018

Summary
The SEC adopted a rule that allows funds to satisfy their obligations to transmit shareholder reports by making them publicly accessible on a specified website, free of charge, and mailing investors a paper notice of the report’s availability. Investors who prefer to receive hard copies of the reports may choose that option at any time. Funds may rely on the new rule, known as Rule 30e-3 under the Investment Company Act of 1940, as early as 1 January 2021. Funds will generally be required to provide two years’ notice to shareholders if they wish to rely on the rule in the first year it is effective.

Effective date
The rule was effective 1 January 2019 with certain exceptions.

Investment Company Liquidity Risk Management Programs; Commission Guidance for In-Kind ETFs (Release No. IC-33010)

Date issued: 22 February 2018

Summary
The SEC issued an interim final rule to extend by six months the deadline for open-end funds to comply with the provisions of the Commission’s liquidity risk management program rule related to investment classification, highly liquid investment minimums and board approval. The rule also extends the deadline by six months for the related reporting requirements of Form N-LIQUID and the liquidity disclosures on Form N-PORT. The revised compliance date is 1 June 2019 for larger fund groups (i.e., those with $1 billion or more in net assets) and 1 December 2019 for smaller fund groups.
Other provisions of the liquidity risk management program rule (including the requirements to adopt a liquidity risk management program and to limit illiquid investments to 15% of the fund’s net assets) and other provisions of Form N-LIQUID and the liquidity-related changes to Form N-CEN are still effective on 1 December 2018 for larger fund groups and 1 June 2019 for smaller fund groups.

The interim final rule also provides guidance to assist funds that will not be engaging in full portfolio classification before the revised compliance date and “in-kind” exchange-traded funds (ETFs), which are not required to engage in full portfolio classification, in identifying illiquid investments and thus applying the 15% illiquid investment limit.

*Effective date*

The rule was effective 29 March 2018.


Issued this quarter

Fund of Funds Arrangements (Release Nos. 33-10590, IC-33329)

Date issued: 19 December 2018 — comment period ends 90 days after publication in the Federal Register

Summary
The proposed rule would permit a registered investment company (RIC) or business development company (BDC) to acquire securities of any RIC or BDC in excess of limitations imposed by the Investment Company Act of 1940 (the Act) without having to obtain an individual exemptive order, subject to the acquirer satisfying certain conditions designed to prevent undue influence, complex structures and layering of fees. The SEC also proposed amendments that would provide certain funds with continued flexibility to invest in unaffiliated money market funds and would modify Form N-CEN to require RICs that invest in other funds to report whether they relied on the proposed rule or a certain statutory exception in the Act.

Request for Comment on Earnings Releases and Quarterly Reports (Release No. 33-10588)

Date issued: 18 December 2018 — comment period ends 21 March 2019

Summary
The SEC requested feedback on how it might revise current requirements regarding the nature, timing and frequency of interim reporting to reduce the burden on public companies while still maintaining investor protections.

As part of its request, the SEC is seeking to understand current reporting practices, including the relationship between quarterly reports that companies must file with the SEC and voluntary earnings releases they issue. The key areas the SEC is asking commenters to consider include whether:

- Companies should be allowed to use the information they voluntarily provide in earnings releases to satisfy the requirements of Form 10-Q
- It should require semiannual reporting or allow companies to select the frequency of their interim reporting, based on their investors’ needs
- The practice of voluntarily providing forward-looking guidance creates an undue focus on short-term decision making and what actions, if any, it should take to discourage this practice

Other resources
- To the Point, SEC seeks input on earnings releases and quarterly reports (SCORE No. 05316-181US)
Other proposals previously issued

Proposals on the SEC’s current rulemaking agenda

Financial Disclosures About Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralize a Registrant’s Securities (Release No. 33-10526)

Date issued: 24 July 2018 – comment period ended 3 December 2018

Summary

The proposal would simplify and streamline financial disclosure requirements for companies that conduct registered debt offerings involving subsidiaries as either issuers or guarantors and affiliates whose securities are pledged as collateral. Among other things, the proposal to amend Rule 3-10 of Regulation S-X would:

• Narrow the circumstances that would require separate financial statements of subsidiary issuers and guarantors by replacing the 100%-owned criterion for alternative disclosure with a criterion that the subsidiary be consolidated in the parent company’s financial statements and eliminating the requirement for the subsidiary guarantee to be full and unconditional (or joint and several if multiple subsidiaries guarantee the securities)

• Replace the current relief requiring companies to provide condensed consolidating financial information with the ability to provide summarized financial information and narrative disclosures of the issuer and guarantors combined as a group

• Reduce the periods for which the disclosures are required to the most recent fiscal year and year-to-date interim period and only require such disclosures for the period that subsidiary issuers and guarantors have an SEC Exchange Act reporting obligation related to the debt

• Eliminate the requirement for separate pre-acquisition financial statements of recently acquired subsidiary issuers or guarantors

The proposal also would amend Rule 3-16 of Regulation S-X to eliminate the separate financial statement requirement for affiliates whose securities are pledged as collateral and replace it with disclosure requirements similar to those proposed for subsidiary issuers and guarantors, among other things.

Effective date

The proposal does not suggest an effective date.

Other resources

• To the Point, SEC proposes streamlining disclosure requirements for certain registered debt offerings (SCORE No. 04074-181US)

• Comment letter (SCORE No. 04988-181US)
Concept Release on Compensatory Securities Offerings and Sales
(Release No. 33-10521)

**Date issued:** 18 July 2018 — comment period ended 24 September 2018

**Summary**

The concept release seeks feedback on whether the SEC should expand the eligibility requirements for the Rule 701 exemption to include additional individuals to whom a private company might issue equity compensation, whether it should revise the content and timing of the required disclosures under Rule 701(e) and whether it should simplify the use of Form S-8 for registering securities under employee benefit plans.

**Other resources**

- Comment letter (SCORE No. 04758-181US)

Amendments to the Commission's Whistleblower Program Rules
(Release No. 33-83557)

**Date issued:** 29 June 2018 — comment period ended 18 September 2018

**Summary**

The SEC proposed amending the rules governing its whistleblower program that would amend the whistleblower definition in response to a recent Supreme Court decision to clarify when a whistleblower would be eligible for an SEC whistleblower award, retaliation protection and heightened confidentiality protection. The proposal would also provide additional tools that the Commission could use to increase the amount of awards under $2 million and reduce the amount of awards over $30 million. The proposal would also make changes to other policies and procedures governing the program.

**Effective date**

The proposal does not suggest an effective date.

Exchange-Traded Funds (Release No. 33-10515)

**Date issued:** 28 June 2018 — comment period ended 1 October 2018

**Summary**

The SEC proposed allowing ETFs organized as open-end funds that satisfy certain conditions to operate within the scope of the Investment Company Act of 1940 and come to market without applying for exemptive orders from the SEC. The proposed conditions, which are designed to protect investors, relate to transparency, custom basket policies and procedures, and website disclosures. The proposal also recommends rescinding certain exemptive relief previously granted to ETFs that would rely on the rule. The proposal would not apply to ETFs organized as unit investment trusts, ETFs structured as share classes of multi-class funds, and leveraged or inverse ETFs.

The SEC also proposed amendments to Form N-1A (the registration statement for ETFs organized as open-end funds) and Form N-8B-2 (the registration statement for ETFs structured as unit investment trusts) to provide more useful information to investors who purchase ETFs on an exchange.

**Effective date**

The proposal does not suggest an effective date.
Request for Comments on the Processing Fees Charged By Intermediaries For Distributing Materials Other Than Proxy Materials to Fund Investors (Release Nos. 33-10505, 34-83379, IC-33114)

*Date issued:* 5 June 2018 — comment period ended 31 October 2018

*Summary*
The SEC requested comments on the assessment and transparency of the processing fees that broker-dealers and other intermediaries charge funds for delivering shareholder reports and other materials to beneficial shareholders under the rules of the New York Stock Exchange (NYSE) and other self-regulatory organizations.

Auditor Independence with Respect to Certain Loans or Debtor-Creditor Relationships (Release Nos. 33-10491, 34-83157, IC-33091, IA-4904)

*Date issued:* 2 May 2018 — comment period ended 9 July 2018

*Summary*
The SEC proposed amending its auditor independence rules to refocus the analysis that must be conducted to determine whether an auditor is independent if it has a borrowing relationship with certain shareholders of an audit client. In the proposal, the SEC said that existing restrictions may not be functioning as intended and may present significant practical challenges to companies, including registered investment companies, pooled investment vehicles and registered investment advisers, and their auditors. The proposed amendments to Rule 2-01(c)(1)(ii)(A) of Regulation S-X would:

- Focus the analysis solely on beneficial ownership rather than record or beneficial ownership
- Replace the existing 10% bright-line shareholder ownership test with a “significant influence” test
- Add a “known through reasonable inquiry” standard to identify beneficial owners of the audit client’s equity securities
- Amend the definition of “audit client” for a fund under audit to exclude funds that otherwise would be considered “affiliates of the audit client”

The SEC also requested comments on other potential changes to its auditor independence rules.

*Effective date*
The proposal does not suggest an effective date. Due to concerns discussed in the proposal, the SEC staff has provided relief through a 2017 no-action letter pending this proposed rulemaking.
FAST Act Modernization and Simplification of Regulation S-K (Release No. 33-10425)

**Date issued:** 11 October 2017 – comment period ended 2 January 2018

**Summary**
The proposed amendments to simplify and modernize certain disclosure requirements under Regulation S-K were recommended by the SEC staff in a report that was required by the Fixing America’s Surface Transportation Act of 2015 (FAST Act). They are part of a broader review aimed at reducing the compliance burden on registrants while still providing all material information to investors. Among other things, they would:

- Revise the requirements for Management’s Discussion & Analysis (Item 303(a) of Regulation S-K) to give reporting companies more flexibility by allowing them to omit a discussion of the earliest of the three annual periods, if the discussion is not considered to be material and the discussion of that period was included in the prior year Form 10-K
- Make it easier for registrants to omit certain commercially sensitive or confidential information from material contracts filed as exhibits, if that information isn’t material
- Prohibit companies from cross-referencing in the footnotes to the financial statements to disclosure outside the financial statements unless permitted by SEC rule

**Effective date**
The proposal does not suggest an effective date.

**Other resources**
- To the Point, SEC proposes modernizing and simplifying certain Regulation S-K disclosure requirements (SCORE No. 05841-171US)
- Comment letter (SCORE No. 00012-181US)

Amendments to Investment Advisers Act Rules to Reflect Changes Made by the FAST Act (Release No. IA-4697)

**Date issued:** 3 May 2017 – comment period ended 8 June 2017

**Summary**
The proposed rule would expand the registration exemptions available to investment advisers of small business investment companies (SBICs) under the Investment Advisers Act of 1940 to reflect the changes made by the FAST Act.

The proposed rule would amend the definition of a venture capital fund to include SBICs, which would extend the registration exemption under Rule 203(i)-1 to investment advisers of SBICs.

The proposed rule also would expand the private fund adviser exemption to SBICs. Currently, the Investment Advisers Act of 1940 provides an exemption from registration with the SEC to investment advisers who solely advise private funds and have less than $150 million in assets under management in the US. The proposed rule would allow private fund investment advisers to exclude small business investment company assets from the $150 million exemption threshold.

**Effective date**
The proposal does not suggest an effective date.
Proposals required by statute but not on the SEC’s current rulemaking agenda

- Incentive-based Compensation Arrangements (Release No. 34-77776)
  - Date issued: 6 May 2016 – comment period ended 22 July 2016
- Covered Broker-Dealer Provisions under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Release No. 34-77157)
  - Date issued: 17 February 2016 – comment period ended 2 May 2016
- Listing Standards for Recovery of Erroneously Awarded Compensation (Release No. 33-9861)
  - Date issued: 1 July 2015 – comment period ended 14 September 2015
- Pay Versus Performance (Release No. 34-74835)
  - Date issued: 29 April 2015 – comment period ended 6 July 2015
- Prohibition against Conflicts of Interest in Certain Securitizations (Release No. 34-65355)
  - Date issued: 19 September 2011 – comment period ended 13 February 2012
- Reporting of Proxy Votes on Executive Compensation and Other Matters (Release No. 34-63123)
  - Date issued: 18 October 2010 – comment period ended 18 November 2010
SEC staff issues guidance on certain proxy shareholder proposals

*Date issued: 23 October 2018*

**Summary**

The SEC staff in the Division of Corporation Finance issued Staff Legal Bulletin No. 14J outlining the staff’s views on several no-action requests related to the scope and application of the general rules for proxy solicitations described in Regulation 14A under the Exchange Act regarding certain exceptions used to exclude proxy shareholder proposals.

The SEC staff noted that these matters rely on difficult judgment calls that it believes that company boards of directors are generally well-suited to make. To assist the staff with its review of these types of no-action requests, the bulletin invited companies to include in their no-action requests a discussion of the board’s analysis of the issue raised by the proposal and its significance to the company.

The SEC staff said it found discussions of the board’s analysis most helpful when specific substantive factors that the board considered were included. Examples of such substantive factors were:

- The extent to which the proposal relates to the company’s core business activities
- Quantitative data, including the financial statement effect
- Whether the company has already addressed the issue in some manner
- The extent of shareholder interest in and engagement on the issue
- Whether anyone other than the proponent has requested the type of action or information sought by the proposal
- Whether the company’s shareholders have previously voted on the matter and the board’s views on the results

The bulletin also addressed the application of the rules in Regulation 14A to shareholder proposals that address executive and board of director compensation.

SEC staff provides interpretive guidance on new interim requirement for reconciliation of changes in shareholders’ equity

*Date issued: 25 September 2018*

**Summary**

The SEC staff issued a compliance and disclosure interpretation (C&DI) that provides an extended transition period for companies to comply with the new requirement in the SEC’s Disclosure Update and Simplification rule for registrants to include in their interim financial statements a reconciliation of shareholders’ equity (either in a separate statement or note to the financial statements). The SEC staff said it would not object to a registrant waiting until its Form 10-Q for the quarter that begins after 5 November 2018 to begin presenting the interim reconciliation of shareholders’ equity for both the quarter and year-to-date periods and comparable prior periods. This means that a calendar year-end filer could omit this disclosure from its 30 September 2018 Form 10-Q. Likewise, a registrant with a 30 June fiscal year end could omit this disclosure from its 30 September 2018 and 31 December 2018 Forms 10-Q. The staff would object, in both cases, if the reconciliations were excluded from the 31 March 2019 Form 10-Q.
Compliance and disclosure interpretations on non-GAAP measures

**Date issued:** 4 April 2018

**Summary**
The SEC staff issued two new C&DI s stating that the regulations on the disclosure of non-GAAP financial measures don’t apply in additional circumstances related to business combination transactions. The first new C&DI clarifies that the scope exception that applies to non-GAAP financial measures in forecasts provided to financial advisers in a business combination also applies when the same forecasts are provided to boards of directors and board committees. The second new C&DI provides a similar scope exception for non-GAAP financial measures in forecasts provided to bidders in a business combination and disclosed to comply with the antifraud and other liability provisions of the federal securities laws.

Commission Statement and Guidance on Public Company Cybersecurity Disclosures (Release No. 33-10459)

**Date issued:** 21 February 2018

**Summary**
The SEC issued an interpretive release outlining its views on cybersecurity disclosure requirements under federal securities laws as they apply to public operating companies. The Commission-level guidance builds on the SEC’s Division of Corporation Finance CF Disclosure Guidance: Topic No. 2 – Cybersecurity, issued in 2011, in a number of ways, including:

- Clarifying that disclosure controls and procedures should enable registrants to identify cybersecurity risks and incidents, assess and analyze their implications and make timely disclosures
- Highlighting the importance of maintaining insider trading and Regulation FD policies that effectively address the fact that cybersecurity risks and incidents can constitute material, nonpublic information
- Expanding the existing disclosure guidance to address how the board of directors oversees the management of cybersecurity risk, as well as management’s discussion and analysis of how cybersecurity incidents affected reportable segments
- Discussing how materiality, as well as the many laws, rules, regulations and SEC form requirements, must be considered when preparing cybersecurity disclosures

The release does not address the implications of cybersecurity for other regulated entities such as registered investment companies, investment advisers, brokers, dealers, exchanges and self-regulatory organizations.

**Effective date**
The interpretive release was effective 26 February 2018.

**Other resources**
- SEC Reporting Update, SEC issues guidance on cybersecurity (SCORE No. 01030-181US)
2019 US GAAP financial reporting and SEC reporting taxonomies now available

*Date issued:* 18 December 2018

**Summary**

The 2019 US GAAP financial reporting taxonomy and SEC reporting taxonomy are now available on the FASB website. The US GAAP financial reporting taxonomy includes updates for accounting standards and other improvements. The SEC reporting taxonomy provides elements necessary to meet data-tagging requirements for financial schedules, condensed consolidating financial information for guarantors and disclosures about oil and gas production that are required by the SEC. The SEC is expected to approve the taxonomies in early 2019, after which registrants will be able to use them.

SEC highlights securities law on the issuance and trading of digital assets

*Date issued:* 16 November 2018

**Summary**

The SEC's divisions of Corporation Finance, Investment Management, and Trading and Markets issued a joint statement expressing their views on issues raised in recent Commission enforcement actions involving the issuance and trading of digital assets that meet the definition of a security.

The statement highlights the importance of complying with federal securities laws in the following areas:

- *Initial offers and sales of digital assets that are considered securities* – The divisions stressed the importance of determining whether a digital asset is a “security” for purposes of federal securities laws and, determining which registration requirements apply if the digital asset is a security.

- *Investment vehicles investing in digital assets that are considered securities* – Investment vehicles that hold digital assets that are considered securities, as well as individuals who advise others about investing in digital assets that meet the definition of a security, including managers of investment vehicles, are subject to the registration, regulatory and fiduciary obligations of the Investment Company Act of 1940.

- *Exchange registration* – A platform that offers trading in digital assets meeting the definition of a security and that operates as an exchange must register with the SEC as a national securities exchange or be exempt from registration (e.g., by qualifying as an alternative trading system (ATS) under Regulation ATS). The statement clarifies that the activity that actually occurs between the buyers and sellers, not the kind of technology or the terminology used by the entity, determines whether the platform is a national securities exchange.

- *Broker-dealer registration* – Entities that facilitate initial coin offerings and secondary trading of digital assets that are considered securities may also be acting as brokers or dealers and thus required to register with the SEC and become a member of a self-regulatory organization, typically the Financial Industry Regulatory Authority.

The divisions encouraged entities that use new technologies in the US securities markets to consult with legal counsel, as well as the SEC staff, as necessary, to make sure they comply with the federal securities laws.
SEC report on cyber-related fraud

*Date issued: 16 October 2018*

The SEC issued a report that highlights the need for all companies to focus on their procedures and internal controls over the authorization of transfers of cash, given the growing trend of frauds perpetrated using emails to obtain inappropriate payments. The Commission issued the report to make companies aware that cyber-related threats exist from spoofed or manipulated electronic communications and should be considered when a company devises and maintains a system of internal accounting controls, as required by the federal securities laws.

**Other resources**

› To the Point, SEC highlights the need for companies to focus on controls that prevent cyber-related fraud (SCORE No. 04815-181US)

‘Bedbug letters’ are now published on EDGAR

*Date issued: 12 June 2018*

**Summary**

The SEC staff in the Division of Corporation Finance announced that it will make letters about serious deficiencies in filings, known as “bedbug” letters, available on EDGAR 10 days after their issuance, starting with those issued on or after 15 June 2018. The SEC staff sends bedbug letters to issuers to inform them that a registration statement or offering document is so deficient that the SEC staff is deferring its review of the filing until it is amended to resolve the deficiencies. The SEC staff said publishing the letters is consistent with its efforts to enhance the transparency of its review process.

SEC staff updates its questions and answers on the IFRS XBRL taxonomy

*Date issued: 30 March 2018*

**Summary**

The SEC staff updated its questions and answers on the IFRS XBRL taxonomy to clarify certain items, including that IFRS registrants should refer to the 2018 SEC Reporting taxonomy and the 2018 US GAAP taxonomy to tag required disclosures (e.g., condensed consolidating financial information for guarantors required by Rule 3-10 of Regulation S-X) that are not addressed by the IFRS XBRL taxonomy.

Approval of changes to NYSE direct listing rules

*Date issued: 2 February 2018*

**Summary**

The SEC approved a NYSE proposal to facilitate direct listings by companies that do not intend to offer shares through an initial public offering (IPO). The NYSE will now allow companies to seek a direct listing without an IPO and without any unlisted trading if an independent third party determines that the market value of their publicly held shares is at least $250 million. Previously, without an IPO, spin-off or transfer from another exchange, a company could only list equity on the NYSE at the exchange’s discretion and if the market value of its publicly held shares was at least $100 million, based on an independent third-party valuation and the most recent trading price in the unlisted market.
The rule also lists factors indicating when a third party providing the valuation would not be deemed to be independent.

**Effective date**

The changes became effective on 8 February 2018.
Adopted by PCAOB, subject to SEC approval

Amendments to Auditing Standards for Auditor’s Use of the Work of Specialists (PCAOB Release No. 2018-006)

Date adopted by the PCAOB: 20 December 2018

Summary
The PCAOB adopted amendments to its standards on an auditor’s use of the work of a specialist to strengthen the requirements to evaluate the work of a company specialist and to enhance supervision of specialists employed by auditors. The amended standards expand the requirements for using the work of a company’s specialist, a specialist employed by the auditor and an external specialist engaged by the auditor to gather audit evidence. Building on existing standards, the amendments require auditors to evaluate certain factors to design a risk-based approach for using the work of a specialist.

The amended standards don’t change the definition of a specialist, and as a result, the amendments don’t apply to individuals who specialize in income taxes and information technology and participate in an audit because those topics are considered specialized areas of accounting and auditing.

Effective date
Subject to SEC approval, the guidance would be effective for audits of fiscal years ending on or after 15 December 2020.

Other resources

To the Point, PCAOB adopts new standard on estimates and amends standards on using the work of specialists (SCORE No. 05373-191US)

Auditing Accounting Estimates, Including Fair Value Measurements (PCAOB Release No. 2018-005)

Date adopted by the PCAOB: 20 December 2018

Summary
The PCAOB adopted a new standard on auditing accounting estimates, including fair value measurements, that enhances the audit requirements and focuses the auditor’s attention on estimates with a higher risk of material misstatement. The standard, which replaces three existing standards, emphasizes the need for professional skepticism when auditing accounting estimates because they generally involve subjective assumptions and measurement uncertainty that make them susceptible to management bias.

The new standard enhances the requirements for approaches that auditors may use, individually or in combination, to gather audit evidence for accounting estimates. It also creates requirements and enhances existing requirements for evaluating accounting estimates.

The appendix of the new standard addresses auditing estimates of the fair value of financial instruments and establishes requirements for the auditor to determine whether pricing information obtained from third parties, such as pricing services and brokers or dealers, provides sufficient appropriate evidence.
Effective date
Subject to SEC approval, the guidance would be effective for audits of fiscal years ending on or after 15 December 2020.

Other resources
- To the Point, PCAOB adopts new standard on estimates and amends standards on using the work of specialists (SCORE No. 05373-191US)

Proposals previously issued


Date issued: 26 September 2017 – comment period ended 15 November 2017

Summary
The PCAOB is seeking input on revisions to its 2016 proposal that would strengthen the requirements for supervising other auditors. The proposal would revise the requirements on how the lead auditor would be determined and how the lead auditor would assess another auditor’s compliance with independence and ethics requirements as well as the other auditor’s knowledge, skill and ability. It also would revise the requirements for the lead auditor to review the work of other auditors.

Other resources
- To the Point, PCAOB asks for more input on its proposal on supervision of other auditors (SCORE No. 05669-171US)
- Comment letter (SCORE No. 06507-171US)
Proposals previously issued

Revisions to Statement on Standards for Attestation Engagements No. 18, Attestation Standards: Clarification and Recodification

**Date issued:** 11 July 2018 — comment period ended 11 October 2018

**Summary**

The proposed Statement on Standards for Attestation Engagements (SSAE) would change all of the ASB’s attestation standards to align them more closely with international standards. The proposal would eliminate the requirement for an accountant to request a written assertion from the responsible party when reporting on the subject matter for examinations, reviews and agreed-upon procedures engagements. A written assertion from the responsible party would be required only if the accountant is opining or concluding on the assertion of the responsible party or performing an examination of controls at a service organization, known as a SOC 1 examination. However, the accountant would be required to request a representation from the responsible party acknowledging responsibility for the subject matter in accordance with the specified criteria.

Accountants would no longer be required to restrict the use of agreed-upon procedures reports to specified parties, with limited exceptions. Accountants also would no longer be required to obtain acknowledgment from any specified parties that the parties agree to the procedures and take responsibility for the sufficiency of the procedures for their purposes (though accountants would not be precluded from doing so). Instead, the accountant, the engaging party or any other party would be allowed to develop the procedures before or after the accountant is engaged. However, the accountant would be required to obtain written acknowledgment from the engaging party that the procedures performed are appropriate for the intended purpose of the engagement prior to issuing his or her report. In another proposed change, an accountant would no longer be prohibited from taking responsibility for the sufficiency of the procedures performed.

**Effective date**

The proposed changes would be effective for reports dated on or after 1 May 2020. Early implementation would not be permitted.

**Other resources**

- To the Point, AICPA proposes changes to standards on agreed-upon procedures and other attestation engagements (SCORE No. 03939-181US)
- Comment letter (SCORE No. 04579-181US)
Auditor Reporting; Addressing Disclosures in the Audit of Financial Statements

Date issued: 28 November 2017 – comment period ended 15 May 2018

Summary
The proposed Statement on Auditing Standards (SAS) would change the form and content of the auditor's report for audits of non-issuers. The changes would be consistent with those resulting from the new and revised International Standards on Auditing issued by the International Auditing and Assurance Standards Board (IAASB). The revisions would include changes to the positioning of the opinion and the basis for opinion sections.

The proposal also would expand the description of management’s responsibilities for the preparation and fair presentation of the financial statements and require the report to identify those responsible for the oversight of the financial reporting process when they differ from those responsible for the preparation of the financial statements.

The proposal also would provide guidance for communicating key audit matters (KAMs) in the auditor’s report when auditors are engaged to do so. The guidance would be similar in concept to the new PCAOB requirement on communicating critical audit matters (CAMs) in the audit reports of issuers.

The proposal also would make changes to various auditing standards, converging them with the IAASB's pronouncements that focus auditors’ attention on disclosures throughout the financial statement audit.

Effective date
The effective date would not be before audits of financial statements for periods ending on or after 15 December 2020.

Other resources
- Comment letter (SCORE No. 02866-181US)

The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports

Date issued: 28 November 2017 – comment period ended 15 May 2018

Summary
The proposed SAS would clarify the auditor’s responsibilities for other information included in annual reports that contain, accompany or incorporate by reference the financial statements and the auditor’s report. Under today’s standard, the auditor is responsible to read the other information for consistency with the audited financial statements. The auditor’s responsibilities would also include reading the other information for consistency with the auditor’s understanding of the entity and its environment. The auditor’s report also would include a separate section describing the auditor’s work with respect to other information.

Effective date
The effective date would not be before audits of financial statements for periods beginning on or after 15 June 2019.

Other resources
- Comment letter (SCORE No. 02865-181US)
Omnibus Statement on Auditing Standards – 2018

**Date issued:** 28 November 2017 – comment period ended 15 May 2018

**Summary**

The proposed SAS would minimize certain differences between the ASB’s auditing standards and those of the PCAOB on related parties and communications with those charged with governance, among other things. It would enhance requirements to identify undisclosed related parties and related party transactions. It also would require the auditor to communicate views relating to the entity’s significant unusual transactions and the potential effects of uncorrected misstatements on future-period financial statements.

In October 2018, the ASB voted to issue the omnibus SAS as a final standard pending conforming amendments to align with the proposed SAS, *Auditor Reporting; Addressing Disclosures in the Audit of Financial Statements* (proposed auditor reporting SAS), once it is finalized.

**Effective date**

The effective date will be aligned with the effective date of the proposed auditor reporting SAS, once it is finalized.

**Other resources**

- Comment letter (SCORE No. 02864-181US)

Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA

**Date issued:** 20 April 2017 – comment period ended 29 September 2017

**Summary**

The ASB issued a proposed SAS for financial statement audits of employee benefit plans that are subject to the Employee Retirement Income Security Act of 1974 (ERISA) (the EBP SAS).

After redeliberating the proposal, the AICPA published the final balloted draft of the EBP SAS in December 2018. Issuance of the final standard is pending conforming amendments to align with the proposed auditor reporting SAS, once it is finalized. It is anticipated that any conforming amendments to the EBP SAS will relate to the form and content of the auditor’s reports.

The ASB decided that the final EBP SAS will require auditors to test plan provisions based on the assessed risk of material misstatement and communicate reportable findings in writing to those charged with governance, not in the auditor’s report. When management elects to have an audit performed in accordance with ERISA section 103(a)(3)(C), which provides an ERISA-permitted audit scope limitation for information related to assets held for investment and certified by a qualified institution, auditors will be required to perform specific procedures relating to the certified investment information, including evaluating management’s assessment of whether the entity issuing the certification is a qualified institution. The final EBP SAS will reflect significant changes in the form of the ERISA section 103(a)(3)(C) auditor’s report, replacing the disclaimer of opinion typically issued under current standards.

The auditor also will be required to read a draft of the Form 5500 before dating the auditor’s report to identify any material inconsistencies with the audited ERISA plan financial statements.
Effective date
The effective date will be aligned with the effective date of the proposed auditor reporting SAS, once it is finalized. The EBP SAS is expected to be effective no earlier than for audits of financial statements for periods ending on or after 15 December 2020. Early adoption will not be permitted.

Other resources
- To the Point, New AICPA auditing standard will change the requirements for ERISA plan audits and auditor’s reports (SCORE No. 05177-181US)
Final standards

Omnibus Statement on Standards for Accounting and Review Services – 2018 (SSARS No. 24)

*Date issued: May 2018*

*Summary*

The statement provides requirements and guidance for compilations and reviews of financial statements prepared in accordance with a financial reporting framework generally accepted in another country or performed in accordance with both Statements on Standards for Accounting and Review Services (SSARS) and another set of compilation and review standards. The statement also includes amendments intended to align the accountant's requirements to evaluate the entity's ability to continue as a going concern in a SSARS review with the requirements in AU-C section 930, *Interim Financial Information*. It also provides clarifying guidance on when accountants reference the work of other accountants in a review report.

*Effective date*

The guidance is effective for compilations and reviews of financial statements for periods ending on or after 15 June 2019, with the exception of paragraph .39 of Section 90, *Review of Financial Statements*, concerning written review reports, which is effective upon issuance.

Proposals

Proposed Statement on Standards for Attestation Engagements, Selected Procedures

*Date issued: 1 September 2017 – comment period ended 1 December 2017*

*Summary*

The AICPA’s Accounting and Review Services Committee (ARSC) proposed an attestation standard that would create a new service (selected procedures) under which an accountant could perform procedures and report on findings beyond those currently allowed under the AICPA attestation standards for an agreed-upon procedures engagement. Under the proposal, an accountant would perform selected procedures over financial or nonfinancial information to report findings to various stakeholders to assist them in evaluating whether the subject matter (i.e., information) is in accordance with suitable criteria. As in agreed-upon procedures engagements, the accountant would present procedures and findings without expressing an opinion, a conclusion or any form of assurance. However, selected procedures engagements would have fewer requirements than agreed-upon procedures engagements, giving companies more flexibility in how they can meet the needs of their stakeholders.

Subsequently, the ARSC and the ASB decided based on stakeholder feedback that these proposed amendments should be included as part of the revisions to AT-C 215, rather than as a new standalone AT-C section, to provide increased flexibility for practitioners performing and reporting on an agreed-upon procedures engagement. As a result, the ASB included these proposed revisions to AT-C 215 in its July 2018 proposal to revise SSAE 18 (see above). However, this proposal on selected procedures has not been withdrawn by the ARSC.
**Effective date**

The effective date would not be earlier than for reports dated on or after 1 May 2019. Early implementation would be permitted.

**Other resources**

- To the Point, *Proposed alternative to agreed-upon procedures engagements would address stakeholder needs* (SCORE No. 05180-171US)
- Comment letter (SCORE No. 06850-171US)
Final GASB guidance

GASB Statement No. 90, Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61

*Date issued:* 4 September 2018

*Summary*

The guidance clarifies that a state or local government that has a majority equity interest in an organization that remains legally separate after acquisition must report that interest as an investment if it meets the GASB's definition of an investment. In many instances, a majority equity interest that meets the definition of an investment should be measured using the equity method. For a majority equity interest in a legally separate entity that does not meet the definition of an investment, a government is required to report the legally separate entity as a component unit. In addition, the standard addresses how to remeasure assets and liabilities of wholly acquired governmental organizations that remain legally separate. That guidance brings the reporting of those acquisitions in line with existing standards that apply to acquisitions that do not remain legally separate.

*Effective date and transition*

The guidance is effective for reporting periods beginning after 15 December 2018. Earlier application is encouraged. The guidance is applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100% equity interest. Those provisions should be applied on a prospective basis.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

*Date issued:* 22 June 2018

*Summary*

For financial statements prepared using the economic resources measurement focus, the guidance requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. That interest cost will not be capitalized as part of the historical cost of a capital asset.

*Effective date and transition*

The guidance is effective for reporting periods beginning after 15 December 2019. Earlier application is encouraged. The requirements should be applied prospectively.
GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

Date issued: 2 April 2018

Summary
The guidance is intended to clarify which liabilities governments should include in their note disclosures related to debt. The statement requires governments to present direct borrowings and direct placements of debt separately from other types of debt in the notes. It also requires the disclosure of the following new information for all types of debt:

- Amounts of unused lines of credit
- Assets pledged as collateral for debt
- Terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences and (3) subjective acceleration clauses

Effective date
The guidance is effective for reporting periods beginning after 15 June 2018. Earlier application is encouraged.


Date issued: 21 May 2018

Summary
The guide clarifies, explains or elaborates on guidance previously issued on pensions, other postemployment benefits, the statistical section of the comprehensive annual financial report, regulatory reporting and tax abatement disclosures.

Effective date
The guide is effective for reporting periods beginning after 15 June 2018. Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented.
GASB exposure drafts

Issued this quarter

Implementation Guidance Update – 2019

*Date issued:* 27 November 2018 – comment period ends 31 January 2019

*Summary*

The proposed implementation guidance contains questions and answers to clarify, explain or elaborate on how to apply the GASB’s standards on cash flows reporting, postemployment benefits, derivative instruments, irrevocable split-interest agreements, tax abatement disclosures and other topics. The GASB also proposed amending previously issued implementation guidance.

*Effective date*

The proposed guidance would be effective for reporting periods beginning after 15 June 2019. Earlier application would be encouraged if the pronouncement addressed by the question and answer has been implemented.

Other proposals previously issued

Conduit Debt Obligations

*Date issued:* 6 August 2018 – comment period ended 2 November 2018

*Summary*

The proposal would create a single method for government issuers to report conduit debt obligations and related obligations. The proposal would eliminate diversity in practice by:

- Clarifying what is a conduit debt obligation
- Eliminating the option for government issuers to recognize conduit debt obligations
- Clarifying the guidance for additional commitments extended by government issuers and arrangements associated with conduit debt obligations that are often characterized as leases
- Enhancing note disclosures

*Effective date*

The proposed guidance would be effective for reporting periods beginning after 15 December 2020. Earlier application would be encouraged.
Implementation Guidance – Fiduciary Activities

Summary
The GASB is expected to issue a proposed implementation guide on fiduciary activities to assist state and local governments and other stakeholders in addressing implementation issues related to GASB Statement No. 84, Fiduciary Activities.

Note: The proposed implementation guide on fiduciary activities was issued on 3 January 2019.

Preliminary Views, Financial Reporting Model Improvements

Date issued: 28 September 2018 – comment period ends 15 February 2019

Summary
The GASB issued its Preliminary Views on targeted improvements to the financial reporting model. The proposed changes would include (1) a short-term financial resources measurement focus for government funds that recognizes short-term transactions and other events when incurred and long-term transactions and other events when due, (2) a format for the government fund financial statements that distinguishes between current and long-term resource flows, (3) an additional subtotal and proprietary funds financial statements for operating income (loss) and noncapital subsidies and (4) the presentation of all budgetary comparison information as required supplementary information and the presentation of two variance columns. The document also contains alternative views.

Preliminary Views, Recognition of Elements of Financial Statements

Date issued: 28 September 2018 – comment period ends 15 February 2019

Summary
The GASB issued its Preliminary Views on concepts related to recognition of elements of financial statements, such as assets and liabilities. The GASB proposed that an item being considered for recognition in financial statements would be evaluated using a hierarchy for recognition of elements. The GASB also proposed a recognition framework for both the short-term financial resources measurement focus and the economic resources measurement focus. The document also contains alternative views.

Invitation to Comment, Revenue and Expense Recognition

Date issued: 1 February 2018 – comment period ended 27 April 2018

Summary
The GASB requested feedback on the development of comprehensive revenue and expense recognition guidance for state and local governments. The invitation to comment discusses an exchange/nonexchange model that would classify revenue and expense transactions based on whether they are considered an exchange or nonexchange transaction, and a performance obligation/no performance obligation model that would classify revenue and expense transactions based on whether a binding agreement contains one or more performance obligations.

The GASB held public roundtable meetings on the issue in the second quarter of 2018.
What’s next – agenda highlights

The GASB’s agenda also includes:

› Conceptual framework: disclosure framework
› Implementation guidance – Leases
› Public-private partnerships
› Subscription-based information technology arrangements
› Deferred compensation plans
› Omnibus
› Secured overnight financing rate
Effective date matrices

Effective date matrix – final FASB pronouncements

Note: Early adoption generally is permitted unless otherwise noted.

<table>
<thead>
<tr>
<th>Effective in 2018 for public¹ calendar year-end entities²</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU 2018-09 Codification Improvements</td>
<td>Effective upon issuance (16 July 2018) for amendments that do not have transition guidance.</td>
<td>Amendments to ASC 740: Effective upon adoption of the amendments in ASU 2016-16.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Certain amendments to ASC 820 and ASC 944: Effective upon adoption of the amendments in ASU 2016-01.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other amendments that are subject to transition guidance: Effective for annual periods beginning after 15 December 2018, including interim periods within those annual periods.</td>
</tr>
<tr>
<td>ASU 2018-06 Codification Improvements to Topic 942, Financial Services – Depository and Lending</td>
<td>Effective upon issuance (7 May 2018).</td>
<td></td>
</tr>
<tr>
<td>ASU 2018-05 Income Taxes (Topic 740), Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (SEC Update)³</td>
<td>See SAB 118.</td>
<td></td>
</tr>
<tr>
<td>ASU 2017-14 Income Statement – Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606) (SEC Update)³</td>
<td>Effective upon adoption of the amendments in ASU 2014-09.</td>
<td></td>
</tr>
<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 (SEC Update)³</td>
<td>Amendments to ASC 606 and ASC 842: Effective upon announcement.</td>
<td>Amendments to ASC 605: Effective upon adoption of the amendments in ASU 2014-09.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amendments to ASC 840: Effective upon adoption of the amendments in ASU 2016-02.</td>
</tr>
<tr>
<td>ASU 2017-10 Service Concession Arrangements (Topic 853), Determining the Customer of the Operation Services</td>
<td>Entities that have not yet adopted ASC 606: Effective upon adoption of the amendments in ASU 2014-09.</td>
<td>Entities that have adopted ASC 606: Effective for fiscal years beginning after 15 December 2017, including interim periods within those fiscal years.</td>
</tr>
<tr>
<td>ASU 2017-09 Compensation – Stock Compensation (Topic 718), Scope of Modification Accounting</td>
<td>Effective for annual periods, including interim periods within those annual periods, beginning after 15 December 2017.</td>
<td></td>
</tr>
<tr>
<td>ASU 2017-07 Compensation – Retirement Benefits (Topic 715), Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost</td>
<td>Effective for annual periods beginning after 15 December 2017, including interim periods within those annual periods.</td>
<td></td>
</tr>
</tbody>
</table>

¹ Refer to each ASU to determine which types of entities (e.g., public business entities, not-for-profits, employee benefit plans) are subject to these effective dates.
² The Jumpstart Our Business Startups (JOBS) Act allows emerging growth companies to follow private company effective dates for new or revised accounting standards issued after 5 April 2012. However, an emerging growth company must follow public company effective dates for all such standards if it has disclosed an election to do so.
³ This ASU adds or amends SEC paragraphs in the Codification that describe SEC guidance or SEC staff views that the FASB includes as a convenience to Codification users.
Effective in 2018 for public¹ calendar year-end entities²

<table>
<thead>
<tr>
<th>ASU 2017-05</th>
<th>Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20), Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets</th>
<th>Effective upon adoption of the amendments in ASU 2014-09.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU 2017-01</td>
<td>Business Combinations (Topic 805), Clarifying the Definition of a Business</td>
<td>Effective for annual periods beginning after 15 December 2017, including interim periods within those periods.</td>
</tr>
<tr>
<td>ASU 2016-20</td>
<td>Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers</td>
<td>Effective upon adoption of the amendments in ASU 2014-09.</td>
</tr>
<tr>
<td>ASU 2016-16</td>
<td>Income Taxes (Topic 740), Intra-Entity Transfers of Assets Other Than Inventory</td>
<td>Effective for annual reporting periods beginning after 15 December 2017, including interim reporting periods within those annual reporting periods.</td>
</tr>
<tr>
<td>ASU 2016-14</td>
<td>Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities</td>
<td>Effective for fiscal years beginning after 15 December 2017, and interim periods within fiscal years beginning after 15 December 2018.</td>
</tr>
<tr>
<td>ASU 2016-12</td>
<td>Revenue from Contracts with Customers (Topic 606), Narrow-Scope Improvements and Practical Expedients</td>
<td>Effective upon adoption of the amendments in ASU 2014-09.</td>
</tr>
<tr>
<td>ASU 2016-11</td>
<td>Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815), Recession of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting (SEC Update)³</td>
<td>Amendments to ASC 815: Effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2015. Amendments to ASC 605 and ASC 932: Effective upon adoption of the amendments in ASU 2014-09.</td>
</tr>
<tr>
<td>ASU 2016-10</td>
<td>Revenue from Contracts with Customers (Topic 606), Identifying Performance Obligations and Licensing</td>
<td>Effective upon adoption of the amendments in ASU 2014-09.</td>
</tr>
<tr>
<td>ASU 2016-08</td>
<td>Revenue from Contracts with Customers (Topic 606), Principal versus Agent Considerations (Reporting Revenue Gross versus Net)</td>
<td>Effective upon adoption of the amendments in ASU 2014-09.</td>
</tr>
<tr>
<td>ASU 2016-04</td>
<td>Liabilities – Extinguishments of Liabilities (Subtopic 405-20), Recognition of Breakage for Certain Prepaid Stored-Value Products</td>
<td>Effective for fiscal years beginning after 15 December 2017, and interim periods within those fiscal years.</td>
</tr>
<tr>
<td>ASU 2014-09</td>
<td>Revenue from Contracts with Customers (Topic 606)</td>
<td>Effective for annual reporting periods beginning after 15 December 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after 15 December 2016, including interim reporting periods within that reporting period.⁴</td>
</tr>
</tbody>
</table>

---

³ ASU 2016-11, Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815), Recession of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting (SEC Update)³

⁴ ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, provided a one-year deferral of the effective date for the new revenue standard for public and nonpublic entities reporting under US GAAP.
| ASU 2018-20 | Leases (Topic 842), Narrow-Scope Improvements for Lessors | Entities that have not yet adopted ASC 842: Effective upon adoption of the amendments in ASU 2016-02. Entities that have adopted ASC 842: May apply the amendments either in the first reporting period ending or beginning after the issuance of the ASU or on the date they would have been required to adopt ASC 842. |
| ASU 2018-18 | Collaborative Arrangements (Topic 808), Clarifying the Interaction between Topic 808 and Topic 606 | Effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years. Early adoption is not permitted before an entity's adoption of ASC 606. |
| ASU 2018-17 | Consolidation (Topic 810), Targeted Improvements to Related Party Guidance for Variable Interest Entities | Effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years. |
| ASU 2018-16 | Derivatives and Hedging (Topic 815), Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes | Effective for annual periods, including interim periods within those annual periods, beginning after 15 December 2019. |
| ASU 2018-12 | Financial Services – Insurance (Topic 944), Targeted Improvements to the Accounting for Long-Duration Contracts | Effective for fiscal years beginning after 15 December 2020, and interim periods within those fiscal years. |
| ASU 2018-11 | Leases (Topic 842), Targeted Improvements | Effective for financial statements issued for fiscal years ending after 15 December 2020. |
| ASU 2018-10 | Codification Improvements to Topic 842, Leases | Effective upon adoption of the amendments in ASU 2016-02. |
| ASU 2018-08 | Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made | For resource recipients, effective for annual periods beginning after 15 June 2018, including interim periods within those annual periods. For resource providers, effective for annual periods beginning after 15 December 2018, including interim periods within those annual periods. |
| ASU 2018-07 | Compensation – Stock Compensation (Topic 718), Improvements to Nonemployee Share-Based Payment Accounting | Effective for financial statements issued for fiscal years ending after 15 December 2020, and interim periods within those fiscal years. Early adoption is not permitted before an entity's adoption of ASC 606. |
### Effective after 2018 for public\(^1\) calendar year-end entities\(^2\)

<table>
<thead>
<tr>
<th>ASU No.</th>
<th>Description</th>
<th>Effective Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU 2018-02</td>
<td>Income Statement — Reporting Comprehensive Income (Topic 220), Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income</td>
<td>Effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2018.</td>
</tr>
<tr>
<td>ASU 2018-01</td>
<td>Leases (Topic 842), Land Easement Practical Expedient for Transition to Topic 842</td>
<td>Effective upon adoption of the amendments in ASU 2016-02.</td>
</tr>
<tr>
<td>ASU 2017-12</td>
<td>Derivatives and Hedging (Topic 815), Targeted Improvements to Accounting for Hedging Activities</td>
<td>Effective for fiscal years beginning after 15 December 2018, and interim periods within those fiscal years.</td>
</tr>
<tr>
<td>ASU 2017-11</td>
<td>Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815), (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatory Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception</td>
<td>Amendments in Part I: Effective for fiscal years beginning after 15 December 2018, including interim periods within those fiscal years. Amendments in Part II: Transition is not required.</td>
</tr>
<tr>
<td>ASU 2017-08</td>
<td>Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities</td>
<td>Effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2018.</td>
</tr>
<tr>
<td>ASU 2017-04</td>
<td>Intangibles – Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment</td>
<td>Public business entities that meet the definition of an SEC filer: Effective for annual and any interim impairment tests performed for periods beginning after 15 December 2019. Other public business entities: Effective for annual and any interim impairment tests performed for periods beginning after 15 December 2020.</td>
</tr>
<tr>
<td>ASU 2016-13</td>
<td>Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments</td>
<td>Public business entities that meet the definition of an SEC filer: Effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years. Other public business entities: Effective for fiscal years beginning after 15 December 2020, including interim periods within those fiscal years. Earlier application is permitted only for fiscal years beginning after 15 December 2018, including interim periods within those fiscal years.</td>
</tr>
<tr>
<td>ASU 2016-02</td>
<td>Leases (Topic 842)</td>
<td>Effective for fiscal years beginning after 15 December 2018, and interim periods within those fiscal years.</td>
</tr>
</tbody>
</table>
Effective in 2018 for nonpublic<sup>5</sup> calendar year-end entities

| ASU 2018-09 | Codification Improvements | Effective upon issuance (16 July 2018) for amendments that do not have transition guidance. Amendments to ASC 740: Effective upon adoption of the amendments in ASU 2016-16. Certain amendments to ASC 820 and ASC 944: Effective upon adoption of the amendments in ASU 2016-01. Other amendments that are subject to transition guidance: Effective for annual periods beginning after 15 December 2019, and interim periods within annual periods beginning after 15 December 2020. |
| ASU 2018-06 | Codification Improvements to Topic 942, Financial Services – Depository and Lending | Effective upon issuance (7 May 2018). |
| ASU 2017-09 | Compensation – Stock Compensation (Topic 718), Scope of Modification Accounting | Effective for annual periods, including interim periods within those annual periods, beginning after 15 December 2017. |
| ASU 2016-19 | Technical Corrections and Improvements | Effective upon issuance (14 December 2016) for amendments that do not have transition guidance. Amendments to ASC 350-40: Effective for annual periods beginning after 15 December 2017, and interim periods in annual periods beginning after 15 December 2018. Other amendments that are subject to transition guidance: Effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2016. |
| ASU 2016-14 | Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities | Effective for fiscal years beginning after 15 December 2017, and interim periods within fiscal years beginning after 15 December 2018. |
| ASU 2016-09 | Compensation – Stock Compensation (Topic 718), Improvements to Employee Share-Based Payment Accounting | Effective for fiscal years beginning after 15 December 2017, and interim periods within fiscal years beginning after 15 December 2018. |
| ASU 2016-06 | Derivatives and Hedging (Topic 815), Contingent Put and Call Options in Debt Instruments | Effective for fiscal years beginning after 15 December 2017, and interim periods within fiscal years beginning after 15 December 2018. |

Effective after 2018 for nonpublic<sup>5</sup> calendar year-end entities

| ASU 2018-20 | Leases (Topic 842), Narrow-Scope Improvements for Lessors | Entities that have not yet adopted ASC 842: Effective upon adoption of the amendments in ASU 2016-02. Entities that have adopted ASC 842: May apply the amendments either in the first reporting period ending or beginning after the issuance of the ASU or on the date they would have been required to adopt ASC 842. |
| ASU 2018-18 | Collaborative Arrangements (Topic 808), Clarifying the Interaction between Topic 808 and Topic 606 | Effective for fiscal years beginning after 15 December 2020, and interim periods within fiscal years beginning after 15 December 2021. Early adoption is not permitted before an entity’s adoption of ASC 606. |

<sup>5</sup> Refer to each ASU to determine which types of entities (e.g., private companies, not-for-profits, employee benefit plans) are subject to these effective dates.
<table>
<thead>
<tr>
<th>ASU</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASU 2018-17</strong></td>
<td>Consolidation (Topic 810), Targeted Improvements to Related Party Guidance for Variable Interest Entities</td>
</tr>
<tr>
<td><strong>Effective for fiscal years beginning after 15 December 2020, and interim periods within fiscal years beginning after 15 December 2021.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-16</strong></td>
<td>Derivatives and Hedging (Topic 815), Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes</td>
</tr>
<tr>
<td><strong>Entities that have not yet adopted ASU 2017-12: Effective upon adoption of the amendments in ASU 2017-12. Early adoption is not permitted before an entity’s adoption of ASU 2017-12.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Entities that have adopted ASU 2017-12: Effective for fiscal years beginning after 15 December 2019, and interim periods within those fiscal years.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-15</strong></td>
<td>Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40), Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract</td>
</tr>
<tr>
<td><strong>Effective for annual periods beginning after 15 December 2020, and interim periods in annual periods beginning after 15 December 2021.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Effective for financial statements issued for fiscal years ending after 15 December 2021.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-13</strong></td>
<td>Fair Value Measurement (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement</td>
</tr>
<tr>
<td><strong>Effective for fiscal years, and interim periods within those years, beginning after 15 December 2019.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-12</strong></td>
<td>Financial Services – Insurance (Topic 944), Targeted Improvements to the Accounting for Long-Duration Contracts</td>
</tr>
<tr>
<td><strong>Effective for fiscal years beginning after 15 December 2021, and interim periods within fiscal years beginning after 15 December 2022.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-11</strong></td>
<td>Leases (Topic 842), Targeted Improvements</td>
</tr>
<tr>
<td><strong>Entities that have not yet adopted ASC 842: Effective upon adoption of the amendments in ASU 2016-02.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Entities that have adopted ASC 842: May apply the lessor expedient either in the first reporting period following the issuance of the ASU or on the date they would have been required to adopt ASC 842.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-10</strong></td>
<td>Codification Improvements to Topic 842, Leases</td>
</tr>
<tr>
<td><strong>Entities that have not yet adopted ASC 842: Effective upon adoption of the amendments in ASU 2016-02.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Entities that have adopted ASC 842: Effective upon issuance (18 July 2018).</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-08</strong></td>
<td>Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made</td>
</tr>
<tr>
<td><strong>For resource recipients, effective for annual periods beginning after 15 December 2018, and interim periods within annual periods beginning after 15 December 2019.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>For resource providers, effective for annual periods beginning after 15 December 2019, and interim periods within annual periods beginning after 15 December 2020.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-07</strong></td>
<td>Compensation – Stock Compensation (Topic 718), Improvements to Nonemployee Share-Based Payment Accounting</td>
</tr>
<tr>
<td><strong>Effective for fiscal years beginning after 15 December 2019, and interim periods within fiscal years beginning after 15 December 2020. Early adoption is not permitted before an entity’s adoption of ASC 606.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-03</strong></td>
<td>Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities</td>
</tr>
<tr>
<td><strong>Effective for fiscal years beginning after 15 December 2018, and interim periods within fiscal years beginning after 15 December 2019. Early adoption is not permitted unless the entity has early adopted the amendments in ASU 2016-01.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASU 2018-02</strong></td>
<td>Income Statement – Reporting Comprehensive Income (Topic 220), Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income</td>
</tr>
<tr>
<td><strong>Effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2018.</strong></td>
<td></td>
</tr>
<tr>
<td>ASU Year</td>
<td>Description</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td>ASU 2018-01</td>
<td>Leases (Topic 842), Land Easement Practical Expedient for Transition to Topic 842</td>
</tr>
<tr>
<td>ASU 2017-12</td>
<td>Derivatives and Hedging (Topic 815), Targeted Improvements to Accounting for Hedging Activities</td>
</tr>
<tr>
<td>ASU 2017-11</td>
<td>Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815), (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</td>
</tr>
<tr>
<td>ASU 2017-10</td>
<td>Service Concession Arrangements (Topic 853), Determining the Customer of the Operation Services</td>
</tr>
<tr>
<td>ASU 2017-08</td>
<td>Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities</td>
</tr>
<tr>
<td>ASU 2017-05</td>
<td>Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20), Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets</td>
</tr>
<tr>
<td>ASU 2017-04</td>
<td>Intangibles – Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment</td>
</tr>
<tr>
<td>ASU 2016-20</td>
<td>Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers</td>
</tr>
</tbody>
</table>
Effective after 2018 for nonpublic<sup>5</sup> calendar year-end entities

| ASU 2016-13 | Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments | Effective for fiscal years beginning after 15 December 2021, including interim periods within those fiscal years. Earlier application is permitted only for fiscal years beginning after 15 December 2018, including interim periods within those fiscal years. |
| ASU 2016-12 | Revenue from Contracts with Customers (Topic 606), Narrow-Scope Improvements and Practical Expedients | Effective upon adoption of the amendments in ASU 2014-09. |
| ASU 2016-10 | Revenue from Contracts with Customers (Topic 606), Identifying Performance Obligations and Licensing | Effective upon adoption of the amendments in ASU 2014-09. |
| ASU 2016-08 | Revenue from Contracts with Customers (Topic 606), Principal versus Agent Considerations (Reporting Revenue Gross versus Net) | Effective upon adoption of the amendments in ASU 2014-09. |
| ASU 2016-02 | Leases (Topic 842) | Effective for fiscal years beginning after 15 December 2019, and interim periods within fiscal years beginning after 15 December 2020. |
| ASU 2016-01 | Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities | Effective for fiscal years beginning after 15 December 2018, and interim periods within fiscal years beginning after 15 December 2019. Application prior to the effective date for public business entities is prohibited, except for the presentation guidance in ASC 825-10-45-5 through 45-7 and the provision in ASC 825-10-65-2 that eliminates the fair value disclosures for financial instruments required by the General Subsection of ASC 825-10-50. |
| ASU 2014-09 | Revenue from Contracts with Customers (Topic 606) | Effective for annual reporting periods beginning after 15 December 2018, and interim reporting periods within annual reporting periods beginning after 15 December 2019. Application prior to the original effective date for public entities is prohibited.<sup>4</sup> |

<sup>4</sup> ASU 2018-19 changed the effective date of ASU 2016-13 for entities other than public business entities.
## Effective date matrix – final SEC pronouncements and interpretive releases

<table>
<thead>
<tr>
<th>Title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure of Hedging by Employees or Directors</td>
<td>Registrants other than SRCs and EGCs must provide the disclosures during fiscal years beginning on or after 1 July 2019. SRCs and EGCs must provide the disclosures during fiscal years beginning on or after 1 July 2020.</td>
</tr>
<tr>
<td>Amendments to Regulation A</td>
<td>Upon publication in the Federal Register.</td>
</tr>
<tr>
<td>Modernization of Property Disclosures for Mining Registrants</td>
<td>25 February 2019.</td>
</tr>
<tr>
<td>Disclosure Update and Simplification</td>
<td>5 November 2018.</td>
</tr>
<tr>
<td>Exempt Offerings Pursuant to Compensatory Arrangements</td>
<td>23 July 2018.</td>
</tr>
<tr>
<td>Optional Internet Availability of Investment Company Shareholder Reports</td>
<td>1 January 2019 with certain exceptions.</td>
</tr>
<tr>
<td>Inline XBRL Filing of Tagged Data</td>
<td>Operating companies filing as large accelerated, accelerated and non-accelerated filers are required to comply beginning with fiscal periods ending on or after 15 June 2019, 2020 and 2021, respectively. Larger mutual funds (i.e., funds with net assets of $1 billion or more as of the end of the most recent fiscal year) have to comply two years after the rule becomes effective. Smaller mutual funds have to comply with the requirement three years after the rule becomes effective.</td>
</tr>
<tr>
<td>Amendments to Smaller Reporting Company Definition</td>
<td>10 September 2018.</td>
</tr>
<tr>
<td>Investment Company Liquidity Risk Management Programs</td>
<td>Fund complexes with net assets of $1 billion or more will be required to comply with the liquidity risk management program requirements starting 1 June 2019, while those with less than $1 billion in net assets will have to do so starting 1 December 2019.</td>
</tr>
<tr>
<td>Inflation Adjustments and Other Technical Amendments under Titles I and III of the JOBS Act</td>
<td>12 April 2017.</td>
</tr>
<tr>
<td>Exhibit Hyperlinks and HTML Format</td>
<td>The rule is effective 1 September 2017 for accelerated filers and large accelerated filers and 1 September 2018 for smaller reporting companies and non-accelerated filers.</td>
</tr>
<tr>
<td>Exemptions to Facilitate Intrastate and Regional Securities Offerings</td>
<td>The amendments to Rule 504 are effective 20 January 2017. Rule 147A and the amendments to Rule 147 are effective 20 April 2017. The repeal of Rule 505 of Regulation D is effective 22 May 2017.</td>
</tr>
<tr>
<td>Investment Companies Reporting Modernization</td>
<td>The compliance date for Form N-CEN is 1 June 2018. The amendments to Regulation S-X are effective for periods ending on or after 1 August 2017. Under a temporary final rule delaying the implementation of Form N-PORT, larger fund complexes (i.e., those with $1 billion or more in net assets) are required to submit their first Form N-PORT filings on EDGAR for the period ending 31 March 2019 by 30 April 2019, and maintain in their records the information that is required to be included in Form N-PORT for reporting periods ending 30 June 2018 through 28 February 2019. The compliance date for smaller fund complexes is 1 March 2020, and smaller fund complexes are required to file their first Form N-PORT on EDGAR for the period ending 31 March 2020 by 30 April 2020.</td>
</tr>
<tr>
<td>Investment Company Swing Pricing</td>
<td>19 November 2018.</td>
</tr>
<tr>
<td>Pay Ratio Disclosure</td>
<td>The rule is effective 19 October 2015. Registrants are required to make pay ratio disclosures for their first fiscal year beginning on or after 1 January 2017.</td>
</tr>
</tbody>
</table>
Title | Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds  
---|---
Effective date | 21 July 2015, but the Federal Reserve Board gave banking entities a one-year extension (i.e., to 21 July 2016) to conform their ownership interests in and sponsorship of certain covered funds, including collateralized loan obligations. On 6 July 2016, the Federal Reserve Board granted banking entities an additional one-year extension (i.e., to 21 July 2017) for the same covered funds.

In the meantime, banks with significant trading operations have to report certain quantitative information in phases, based on the size of the entity, with the largest banks reporting by 30 June 2014, and others reporting by 30 April 2016 or 31 December 2016, depending on the size of the bank’s consolidated trading assets and liabilities.
## Effective date matrix – final PCAOB pronouncements and rules

<table>
<thead>
<tr>
<th>Title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amendments to Auditing Standards for Auditor’s Use of the Work of Specialists</td>
<td>Effective for audits of fiscal years ending on or after 15 December 2020 (pending approval by the SEC).</td>
</tr>
<tr>
<td>Auditing accounting estimates, including fair value measurements</td>
<td>Effective for audits of fiscal years ending on or after 15 December 2020 (pending approval by the SEC).</td>
</tr>
<tr>
<td>The Auditor’s Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion</td>
<td>Effective for audits of financial statements for annual reporting periods ending on or after 15 December 2017, except for the requirement to communicate CAMs. Requirement to communicate CAMs will be effective for annual periods ending on or after 30 June 2019 for large accelerated filers and 15 December 2020 for all other filers.</td>
</tr>
<tr>
<td>Improving the Transparency of Audits: Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form and Related Amendments to Auditing Standards</td>
<td>Disclosure of the name of the audit partner will be required for auditors’ reports issued on or after 31 January 2017. Disclosure of other accounting firms participating in the audit will be required for auditors’ reports issued on or after 30 June 2017.</td>
</tr>
<tr>
<td>Rules to Implement the Reorganization of PCAOB Auditing Standards and Related Changes to PCAOB Rules and Attestation, Quality Control, and Ethics and Independence Standards</td>
<td>Effective as of 31 December 2016.</td>
</tr>
</tbody>
</table>
## Effective date matrix – final AICPA standards

<table>
<thead>
<tr>
<th>Title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAS No. 133, Auditor Involvement with Exempt Offering Documents</td>
<td>Effective for exempt offering documents with which the auditor is involved that are initially distributed, circulated or submitted on or after 15 June 2018.</td>
</tr>
<tr>
<td>SAS No. 132, The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern</td>
<td>Effective for audits of financial statements for periods ending on or after 15 December 2017 and reviews of financial information for interim periods beginning after fiscal years ending on or after 15 December 2017.</td>
</tr>
<tr>
<td>SAS No. 131, Amendment to Statement on Auditing Standards No. 122 Section 700, Forming an Opinion and Reporting on Financial Statements</td>
<td>Effective for audits of financial statements for periods ending on or after 15 June 2016.</td>
</tr>
<tr>
<td>Statement on Standards for Attestation Engagements No. 18, Attestation Standards: Clarification and Recodification</td>
<td>Effective for practitioners’ reports dated on or after 1 May 2017. Early adoption is permitted.</td>
</tr>
<tr>
<td>SSARS No. 24, Omnibus Statement on Standards for Accounting and Review Services – 2018</td>
<td>Except for the revision to paragraph .39 of AR-C section 90, which is effective upon issuance, effective for compilations and reviews of financial statements for periods ending on or after 15 June 2019.</td>
</tr>
<tr>
<td>SSARS No. 23, Omnibus Statement on Standards for Accounting and Review Services – 2016</td>
<td>Effective upon issuance other than certain amendments relating to prospective financial information in AR-C Section 70 and AR-C Section 80 that are effective on or after 1 May 2017.</td>
</tr>
<tr>
<td>SSARS No. 22, Compilation of Pro Forma Financial Information</td>
<td>Effective for compilation reports on pro forma financial information dated on or after 1 May 2017.</td>
</tr>
</tbody>
</table>
## Effective date matrix – final GASB pronouncements

<table>
<thead>
<tr>
<th>Title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement No. 90, Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61</td>
<td>Effective for reporting periods beginning after 15 December 2018. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period</td>
<td>Effective for reporting periods beginning after 15 December 2019. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements</td>
<td>Effective for reporting periods beginning after 15 June 2018. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 87, Leases</td>
<td>Effective for reporting periods beginning after 15 December 2019. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 86, Certain Debt Extinguishment Issues</td>
<td>Effective for reporting periods beginning after 15 June 2017. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 85, Omnibus 2017</td>
<td>Effective for reporting periods beginning after 15 June 2017. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 84, Fiduciary Activities</td>
<td>Effective for reporting periods beginning after 15 December 2018. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 83, Certain Asset Retirement Obligations</td>
<td>Effective for reporting periods beginning after 15 June 2018. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 82, Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73</td>
<td>Effective for reporting periods beginning after 15 June 2016, except for the selection of assumptions in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year end. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 81, Irrevocable Split-Interest Agreements</td>
<td>Effective for reporting periods beginning after 15 December 2016. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14</td>
<td>Effective for reporting periods beginning after 15 June 2016. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</td>
<td>Effective for fiscal years beginning after 15 June 2017. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</td>
<td>Effective for financial statements for fiscal years beginning after 15 June 2016. Earlier application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68</td>
<td>Effective for financial statements for fiscal years beginning after 15 June 2016: requirements that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68. Effective for fiscal years beginning after 15 June 2015: requirements that address financial reporting for assets accumulated for purposes of providing those pensions. Effective for fiscal years beginning after 15 June 2015: requirements that amend Statements 67 and 68. Earlier application is encouraged.</td>
</tr>
</tbody>
</table>
About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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. 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.

© 2019 Ernst & Young LLP.
All Rights Reserved.
SCORE No. 05430-191US

This and many of the publications produced by our US Professional Practice Group, are available free on AccountingLink at www.ey.com/us/accountinglink.

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.