This 2019 Standard Setter Update highlights significant developments in financial reporting and accounting between 1 January 2019 and 31 December 2019, 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 or Task Force), 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.

January 2020

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Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes (ASU 2019-12)

**Date issued:** 18 December 2019

**Summary**

The Accounting Standards Update (ASU) eliminates certain exceptions to the guidance in Accounting Standards Codification (ASC or Codification) 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill.

The guidance also clarifies that single-member limited liability companies and similar disregarded entities that are not subject to income tax are not required to recognize an allocation of consolidated income tax expense in their separate financial statements, but they could elect to do so.

**Effective date and transition**

For public business entities (PBEs), the guidance is effective 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 in interim or annual periods for which PBEs have not yet issued financial statements and all other entities have not yet made financial statements available for issuance.

Entities that elect to early adopt the amendments in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. Additionally, entities that elect early adoption must adopt all the amendments in the same period. Entities will apply the guidance prospectively, except for certain amendments.

**Other resources**

- Technical Line, *FASB issues guidance that simplifies the accounting for income taxes* (SCORE No. 08058-191US)

Codification Improvements to Topic 326, Financial Instruments – Credit Losses (ASU 2019-11)

**Date issued:** 26 November 2019

**Summary**

The ASU makes several narrow-scope amendments to the new credit losses standard, including an amendment requiring entities to include certain expected recoveries of the amortized cost basis previously written off, or expected to be written off, in the allowance for credit losses for purchased credit deteriorated assets.

The amendments also provide transition relief related to troubled debt restructurings, allow entities to exclude accrued interest amounts from certain required disclosures and clarify the requirements for applying the collateral maintenance practical expedient.
**Effective date and transition**

For entities that have not yet adopted the new credit losses standard, the effective dates and transition requirements are the same as those in ASU 2016-13.

For entities that have adopted the new credit losses standard, the amendments are effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years. Early adoption is permitted in any interim period, as long as the entity has adopted the new credit losses standard. The amendments are applied on a modified retrospective basis through a cumulative-effect adjustment to the opening retained earnings balance as of the beginning of the first reporting period in which the new credit losses standard is adopted.

**Other resources**

- To the Point, *FASB issues narrow-scope amendments to credit losses standard* (SCORE No. 07909-191US)

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**Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842), Effective Dates (ASU 2019-10)**

**Date issued:** 15 November 2019

**Summary**

The FASB deferred the effective dates of the new credit losses standard for all entities except SEC filers that are not smaller reporting companies (SRCs) to fiscal years beginning after 15 December 2022, including interim periods within those fiscal years. The Board also aligned the effective dates of ASU 2017-04 on goodwill impairment with the new effective dates of the credit losses standard.

The FASB deferred the effective dates of its new standards on hedging and leases for entities that are not PBEs (and for leases, for entities that are not not-for-profit (NFP) entities that have issued, or are conduit bond obligors for, certain securities; and are not employee benefit plans (EBPs) that file or furnish financial statements with or to the SEC) to fiscal years beginning after 15 December 2020, and interim periods in the following fiscal year.

The FASB is also reconsidering its philosophy on establishing effective dates for major standards for private companies, NFPs, EBPs and smaller public companies. The Board has developed a two-bucket approach that would give these entities more time to implement major new standards.

**Other resources**

- To the Point, *FASB defers certain effective dates for major standards* (SCORE No. 07801-191US)

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**Financial Services – Insurance (Topic 944), Effective Date (ASU 2019-09)**

**Date issued:** 15 November 2019

**Summary**

The FASB deferred all of the effective dates of the new standard on long-duration insurance contracts. SEC filers that are not SRCs are required to adopt it for fiscal years beginning after 15 December 2021, including interim periods within those fiscal years. All other entities are required to adopt it for fiscal years beginning after 15 December 2023, and interim periods a year later.
Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606), Codification Improvements – Share-Based Consideration Payable to a Customer (ASU 2019-08)

Date issued: 11 November 2019

Summary
Entities are required to measure and classify share-based payments that are granted to a customer in conjunction with a revenue arrangement and are not in exchange for a distinct good or service in accordance with ASC 718. The amount recorded as a reduction of the transaction price is measured using the grant-date fair value of the share-based payment. Changes in the measurement of the share-based payments after the grant date that are due to the form of the consideration (e.g., for a liability-classified award) are not included in the transaction price and are recorded elsewhere in the income statement. The award is measured and classified under ASC 718 for its entire life, unless the award is modified after it vests, and the grantee is no longer a customer.

Share-based payment awards issued to a customer in exchange for a distinct good or service are still required to be accounted for in accordance with ASC 718.

Effective date
The guidance is effective for PBEs and other entities that have adopted ASU 2018-07 for fiscal years beginning after 15 December 2019, including interim periods in 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 not permitted before an entity’s adoption of ASU 2018-07.

Codification Updates to SEC Sections – Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates (SEC Update) (ASU 2019-07)

Date issued: 26 July 2019

Summary
The ASU amends SEC paragraphs in the Codification to reflect the issuance of SEC final rules on Disclosure Update and Simplification and Investment Company Reporting Modernization, and make other updates.
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 (ASU 2019-06)

**Date issued:** 30 May 2019

**Summary**
The guidance allows NFPs to apply accounting alternatives that simplify the subsequent accounting for goodwill and the accounting for certain intangible assets they acquire. The alternatives were previously available only to private companies. NFPs that elect the goodwill accounting alternative will amortize goodwill and perform a one-step impairment test, at either the entity level or the reporting unit level, only when an impairment indicator exists. NFPs that elect the intangible asset accounting alternative may recognize fewer intangible assets in an acquisition, and they would be required to elect the goodwill accounting alternative.

**Effective date and transition**
The guidance is effective upon issuance. An NFP that elects to adopt the alternatives does not have to demonstrate preferability; it will follow the transition guidance the first time it applies them.

**Other resources**
- To the Point, FASB allows NFPs to simplify their accounting for goodwill and intangible assets (SCORE No. 06328-191US)

Financial Instruments — Credit Losses (Topic 326), Targeted Transition Relief (ASU 2019-05)

**Date issued:** 15 May 2019

**Summary**
The guidance allows entities to make an irrevocable one-time election upon adoption of the new credit losses standard to measure financial assets measured at amortized cost (except held-to-maturity securities) using the fair value option. The election is to be applied on an instrument-by-instrument basis.

**Effective date**
For entities that have already adopted ASU 2016-13, the transition relief is effective for fiscal years beginning after 15 December 2019, and interim periods therein, and early adoption is permitted. For all other entities, the guidance is effective upon adoption of ASU 2016-13.
Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments (ASU 2019-04)

**Date issued:** 25 April 2019

**Summary**
The FASB amended the new standards on credit losses, hedging, and recognizing and measuring financial instruments to clarify them and address implementation issues. The amendments clarify the scope of the credit losses standard and address issues related to accrued interest receivable balances, recoveries, variable interest rates and prepayments, among other things. With respect to hedge accounting, the amendments address partial-term fair value hedges, fair value hedge basis adjustments, application by NFP entities and private companies, and certain transition requirements, among other things. On recognizing and measuring financial instruments, they address the scope of the guidance, the requirement for remeasurement under ASC 820 when using the measurement alternative, certain disclosure requirements and which equity securities have to be remeasured at historical exchange rates.

**Effective date**
The amendments to the credit losses and hedging standards have the same effective dates as those standards, unless an entity has already adopted the standards. For entities that have already adopted the credit losses standard, the amendments are effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years. For entities that have already adopted the hedge accounting standard, the amendments are effective as of the beginning of the entity’s next annual period beginning after issuance of this ASU.

The amendments to the recognition and measurement guidance are effective for fiscal years beginning after 15 December 2019, including interim periods within those years.

**Other resources**
- To the Point, FASB issues amendments to the three new standards on financial instruments (SCORE No. 06107-191US)

Not-for-Profit Entities (Topic 958), Updating the Definition of Collections (ASU 2019-03)

**Date issued:** 21 March 2019

**Summary**
The final guidance aligns the definition of collections in the Codification with the definition in the American Alliance of Museums’ Code of Ethics for Museums. The change expands one of the criteria that define collections. Under the legacy guidance, 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 allows that policy to limit use of the proceeds for that purpose or for the direct care of existing collections. The new guidance also requires an entity that holds collections to disclose its policy for the use of proceeds from sales of collection items, and if that policy allows those proceeds to be used for direct care, to disclose its definition of direct care. The amendments apply to all entities, including business entities, that maintain collections.
Effective date and transition
The guidance is effective for annual periods beginning after 15 December 2019, and interim periods within annual periods beginning after 15 December 2020. Entities will apply the guidance prospectively. Early application of the amendments is permitted for financial statements not yet issued or made available for issuance.

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 (ASU 2019-02)

Date issued: 6 March 2019

Summary
The guidance, which was developed by the EITF, aligns the cost capitalization requirements for episodic television series with the guidance for films in ASC 926-20 and adds new disclosure requirements. Entities that predominantly monetize films or license agreements together with other films and/or license agreements will be required to test the “film group” for impairment rather than test each individual title. Entities that monetize content in a film group must reassess their estimate of the use of a film in the film group and account for any changes prospectively. The impairment indicators for entities that monetize content on a title-by-title basis were revised, and new impairment indicators were added for entities that monetize content as part of a film group. All broadcasters will need to change their impairment model for costs incurred to license content to a fair value model.

Effective date and transition
The guidance is effective for PBEs in fiscal years beginning after 15 December 2019, and interim periods within those fiscal years. For all other entities, it is effective in fiscal years beginning after 15 December 2020, and interim periods within those fiscal years. Early adoption is permitted, including in an interim period. Entities will apply the new guidance prospectively from the beginning of the interim period that includes the date of adoption, including for costs incurred for content in production at the effective date. An entity must assess its predominant monetization strategy at the date of adoption.

Other resources
To the Point, FASB amends accounting for costs of films and license agreements for media and entertainment entities (SCORE No. 05713-191US)

Leases (Topic 842), Codification Improvements (ASU 2019-01)

Date issued: 5 March 2019

Summary
The FASB added guidance to ASC 842 that is similar to the guidance in ASC 840-10-55-44 and states that, for lessors that are not manufacturers or dealers, the fair value of the underlying asset is its cost, less any volume or trade discounts, as long as there isn't a significant amount of time between acquisition of the asset and lease commencement. The amendments also clarify that lessors in the scope of ASC 942 must classify principal payments received from sales-type and direct financing leases in
investing activities in the statement of cash flows. In addition, the amendments clarify that entities are not subject to the transition disclosure requirements in ASC 250-10-50-3 related to the effect of an accounting change on certain interim period financial information.

**Effective date and transition**

The amendments on the fair value exception and on the presentation on the statement of cash flows are effective for PBEs, certain NFP entities and certain EBPs for fiscal years beginning after 15 December 2019, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after 15 December 2019, and interim periods within fiscal years beginning after 15 December 2020. Early adoption is permitted. The amendments are applied at the date that an entity first applied or applies ASC 842. The amendments have the same transition requirements as the new leases standard.

**Other resources**

- To the Point, *FASB issues more amendments to help lessors apply the new leases standard* (SCORE No. 05751-191US)
Final guidance expected soon

The FASB has completed deliberations on these proposals or approved consensuses reached by the EITF and is expected to issue final guidance soon.

Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting

*Date proposal issued:* 5 September 2019 — comment period ended 7 October 2019

**Summary**
The FASB proposed providing temporary optional expedients and exceptions to the US GAAP guidance on contract modifications and hedge accounting in light of the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference interest rates, such as the Secured Overnight Financing Rate. Under the proposal, an entity could choose not to apply certain modification accounting requirements in US GAAP to contracts affected by what the proposal calls reference rate reform, if certain criteria are met. An entity that made this election would present and account for a modified contract as a continuation of the existing contract.

The proposal would also provide optional expedients that would enable entities to continue to apply hedge accounting for hedging relationships in which the critical terms change due to reference rate reform, if certain criteria are met. In addition, it would enable entities to change the designated benchmark interest rate in fair value hedges and provide relief from certain hedge effectiveness requirements for both new and existing cash flow hedges affected by reference rate reform.

Subsequently, the Board decided that the new guidance also will provide entities with a one-time opportunity to reclassify debt securities that are affected by reference rate reform out of the held-to-maturity category.

**Effective date and transition**
The relief would be effective upon issuance, and entities would be able to apply it prospectively through 31 December 2022.

**Other resources**
- FASB Project Update: Reference Rate Reform: Facilitation of the Effects of the Interbank Offered Rate Transition on Financial Reporting
- To the Point, *FASB proposes relief for the transition away from LIBOR and certain other reference rates* (SCORE No. 06882-191US)
- Comment letter (SCORE No. 07468-191US)
Investments — Equity Securities (Topic 321), Investments — Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815), Clarifying the Interactions between Topic 321, Topic 323, and Topic 815

Date proposal issued: 30 July 2019 – comment period ended 29 August 2019

(Final consensus reached by the EITF and ratified by the FASB in November 2019. An ASU has not yet been issued.)

Summary
The proposal would clarify that an entity that applies the measurement alternative in ASC 321 should consider all observable transactions, including those that result in the entity initially applying or discontinuing the use of the equity method of accounting under ASC 323. The entity would remeasure its previously held interest at fair value immediately before applying ASC 323 and would remeasure its retained investment at fair value immediately after discontinuing the equity method.

The proposal also would clarify that certain forward contracts and purchased options to purchase securities that, upon settlement or exercise, would be accounted for under the equity method under ASC 323 should be accounted for under ASC 321. The clarification would only apply to forward contracts and purchased options on equity securities that are not deemed to be in-substance common stock under ASC 323 or accounted for as derivatives under ASC 815. An entity would not consider whether the equity security underlying the forward contract or purchased option would, individually or with existing investments, be accounted for under the equity method or the fair value option in accordance with ASC 825 upon settlement of the forward contract or exercise of the purchased option when determining the accounting for the forward or option in the period before it is settled or exercised, respectively.

Effective date and transition
The final consensus would be effective for PBEs for fiscal years beginning after 15 December 2020, and interim periods within those years. For other entities, the consensus would be effective for fiscal years beginning after 15 December 2021, and interim periods within those fiscal years. Early adoption would be permitted. The guidance would be applied prospectively.

Other resources
- EITF Update, November 2019 meeting highlights (SCORE No. 07738-191US)
**Issued this quarter**

**Codification Improvements**

*Date issued:* 26 November 2019 – comment period ended 26 December 2019

*Summary*

The proposal would make changes to a variety of topics in the Codification to clarify or simplify the guidance and make minor improvements.

*Effective date and transition*

The FASB proposed transition guidance for certain amendments, but others would be effective upon issuance of a final ASU.

*Other resources*

- FASB Project Update: Codification Improvements
- Comment letter (SCORE No. 08070-191US)

**Derivatives and Hedging (Topic 815), Codification Improvements to Hedge Accounting**

*Date issued:* 12 November 2019 – comment period ends 13 January 2020

*Summary*

The FASB proposed amendments to clarify and improve certain aspects of the new hedge accounting guidance provided by ASU 2017-12. The proposal would clarify the guidance on changing the hedged risk in cash flow hedges, designating contractually specified components in cash flow hedges of nonfinancial forecasted transactions, and accounting for “dual” fair value and net investment hedges. It would also replace the term “prepayable” in the guidance on the shortcut method with the words “early settlement features.”

*Effective date and transition*

The proposal would be effective for all entities for fiscal years beginning after 15 December 2020. For PBEs, it would be effective for interim periods in the year of adoption. For all other entities, it would be effective for interim periods in fiscal years beginning after 15 December 2021. Early adoption would be permitted for any entity that has adopted ASU 2017-12.

Entities that adopt the proposed amendments on the same date they adopt ASU 2017-12 would apply the transition method in ASU 2017-12. Entities that have already adopted ASU 2017-12 would be permitted to apply the proposal prospectively or retrospectively to the date they adopted ASU 2017-12, except for the proposed amendments on dual hedges, which would have to be applied retrospectively.

*Other resources*

- FASB Project Update: Codification Improvements – Hedge Accounting
- To the Point, *FASB proposes amendments to clarify and improve its hedge accounting guidance* (SCORE No. 07790-191US)
Proposals previously issued

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

Date issued: 12 September 2019 — comment period ended 28 October 2019

Summary
The FASB revised its proposal on the balance sheet classification of debt to clarify how entities would apply the principle-based approach it proposed in 2017. Entities would still be required to classify debt as noncurrent if it is contractually due to be settled more than one year (or operating cycle, if longer) after the balance sheet date or the entity has contractual rights to defer the settlement for more than one year (or operating cycle, if longer) after the balance sheet date, but the proposal would clarify the following:

- Entities would not be able to consider their ability to refinance debt using separate arrangements, such as letters or lines of credit, in place on the balance sheet date.
- An entity would classify convertible debt on the basis of when it is contractually due to be settled in cash (or other current assets), rather than on the timing of any conversion to equity shares. However, debt that must be settled entirely in equity shares of the borrower within 12 months after the balance sheet date would be classified as current.
- If a borrower violates a covenant in a long-term debt arrangement, but the debt isn’t callable at the balance sheet date because the arrangement provides a contractual grace period, the debt would be classified as noncurrent.

The guidance would apply to debt arrangements, including convertible debt, as well as lease liabilities under ASC 840 and ASC 842 and mandatorily redeemable financial instruments that are accounted for as liabilities under ASC 480.

Effective date and transition
Entities would apply the guidance prospectively to all debt arrangements that exist at the date of adoption and all arrangements entered into after that date. An effective date has not yet been determined. Early adoption would be permitted.

Other resources
- FASB Project Update: Simplifying the Balance Sheet Classification of Debt
- To the Point, FASB revises its proposal to simplify the balance sheet classification of debt (SCORE No. 06922-191US)
- Comment letter (SCORE No. 07621-191US)
Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40), Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity

Date issued: 31 July 2019 – comment period ended 14 October 2019

Summary
The FASB proposed simplifying an issuer’s accounting for convertible instruments by eliminating the requirements in ASC 470-20 to separately account for embedded conversion features. Only embedded conversion features requiring bifurcation under ASC 815-15 would be accounted for separately.

For contracts in an entity’s own equity, the proposal would require entities to disregard certain events that would trigger an adjustment to the contract’s settlement amount and any events that would trigger net cash settlement, if the likelihood of the event occurring is remote. It also would eliminate some of the conditions for equity classification under ASC 815-40.

The proposal also would require entities to use the if-converted method for all convertible instruments in the diluted earnings per share (EPS) calculation and presume share settlement for instruments that may be settled in cash or shares, except for liability-classified share-based payment awards.

Effective date and transition
The FASB proposed a modified retrospective transition approach for most of the proposed amendments. Under this approach, the proposed guidance on convertible instruments and contracts in an entity’s own equity would require a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the fiscal year of adoption. The proposed amendments to the EPS guidance for instruments that may be settled in cash or shares would require a full retrospective approach. The proposal would allow all amendments to be applied retrospectively.

Early adoption would not be permitted, except for convertible instruments with down-round features issued by entities that have not yet adopted ASU 2017-11. An effective date has not yet been determined.

Other resources
- FASB Project Update: Distinguishing Liabilities from Equity (Including Convertible Debt)
- To the Point, FASB proposes simplifying an issuer’s accounting for debt and equity instruments (SCORE No. 06671-191US)
- Comment letter (SCORE No. 07527-191US)

Disclosure Improvements, Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative

Date issued: 6 May 2019 – comment period ended 28 June 2019

Summary
The proposal would incorporate several SEC disclosure requirements into US GAAP in response to a request from the SEC. The proposal would add interim and annual disclosure requirements to a variety of topics in the Codification, including those focusing on accounting changes, earnings per share, business combinations, foreign currency matters, and derivatives and hedging. The proposal would
require public entities to move certain disclosures that aren’t audited today into the audited financial statements. The proposal would require nonpublic entities to make certain additional disclosures that they did not have to previously make.

**Effective date and transition**
The effective date has not yet been determined. The FASB proposed a prospective transition method for all entities.

**Other resources**
- FASB Project Update: Disclosure Improvements in Response to the SEC’s Release on Disclosure Update and Simplification
- To the Point, *FASB proposes incorporating certain SEC disclosure requirements into US GAAP* (SCORE No. 06183-191US)
- Comment letter (SCORE No. 06496-191US)

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

*Date issued: 25 March 2019 – comment period ended 31 May 2019*

The FASB revised its 2016 proposal to change the income tax disclosure requirements after evaluating feedback and the effects of the Tax Cuts and Jobs Act. The proposal would require entities to provide separate foreign and domestic disclosures about pretax income (loss) from continuing operations before intra-entity eliminations and other disaggregated disclosures about tax expense (benefit) and income taxes paid. The proposal also would eliminate requirements to disclose certain information related to unrecognized deferred tax liabilities and uncertain tax positions. The proposal would change certain disclosure requirements related to uncertain tax positions, valuation allowances, the effective tax rate reconciliation and tax carryforwards. The proposal would also replace the term “public entity” with “public business entity” in ASC 740.

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

**Other resources**
- To the Point, *FASB revises its proposal to change income tax disclosure requirements* (SCORE No. 07136-191US)
- Comment letter (SCORE No. 06338-191US)
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

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
Invitation to Comment – Identifiable Intangible Assets and Subsequent Accounting for Goodwill

**Date issued:** 9 July 2019 – comment period ended 7 October 2019

**Summary**

The FASB issued an Invitation to Comment (ITC) to solicit feedback on whether it should and, if so, how it should simplify the subsequent accounting for goodwill and the accounting for certain intangible assets for PBEs.

In the ITC, the Board seeks input on whether it should (1) change the requirements for accounting for goodwill, including whether it should change the impairment test or whether it should require goodwill to be amortized; (2) change the requirements for recognizing intangible assets in a business combination; and (3) add new disclosure requirements or change the current requirements for disclosures about goodwill and intangible assets.

The FASB hosted a public roundtable discussion to gather views on the ITC on 15 November 2019.

**Other resources**

- FASB Project Update: Identifiable Intangible Assets and Subsequent Accounting for Goodwill
- To the Point, FASB seeks input on subsequent accounting for goodwill and accounting for intangible assets (SCORE No. 06531-191US)
- Comment letter (SCORE No. 07467-191US)

FASB staff clarifies lessor accounting for uncollectible operating lease receivables

**Date issued:** 17 July 2019

**Summary**

The FASB staff told the Board at a public meeting that it responded to a technical inquiry by saying that, under ASC 842, lessors can continue to recognize a reserve (i.e., allowance for uncollectible operating lease receivables) under the loss contingency guidance in ASC 450-20 after applying the collectibility guidance in the new standard. Lessors that choose this option will need to first apply the new collectibility guidance in ASC 842, which requires them to evaluate the collectibility of all lease payments and recognize an impairment for any receivables related to a particular lease if they determine that collection of substantially all of the payments for that lease is not probable.

The staff made the comments in response to questions that arose after the FASB issued final guidance clarifying that receivables related to operating leases are not in the scope of the new credit losses guidance and should instead be accounted for under ASC 842.

**Other resources**

- To the Point, FASB staff clarifies lessor accounting for uncollectible operating lease receivables (SCORE No. 06578-191US)
FASB staff issues question and answer documents on credit losses

Date issued: January and July 2019

Summary
The FASB staff issued two question and answer documents on its new credit losses standard. One addresses using historical loss information, developing reasonable and supportable forecasts, and reverting to historical loss information when estimating expected credit losses. The other relates to the weighted average remaining maturity method for estimating the allowance for credit losses under the new credit losses standard.

Other resources
- FASB staff Q&A: Topic 326, No. 2: Developing an Estimate of Expected Credit Losses on Financial Assets
- FASB staff Q&A: Topic 326, No. 1: Whether the Weighted-Average Remaining Maturity Method Is an Acceptable Method to Estimate Expected Credit Losses

FASB staff issues question and answer document on the new contributions guidance

Date issued: 6 June 2019

Summary
The FASB staff issued a question and answer document that addresses questions about applying the limited discretion indicator and accounting for cost-sharing provisions under the guidance on contributions received and contributions made made that the FASB issued last year.

Other resources
- FASB staff Q&A: Subtopic 958-605, Application of the Limited Discretion Indicator and Accounting for Cost-Sharing Provisions In a Grant Agreement

What’s next – agenda highlights

FASB agenda
In addition to the topics above, the FASB’s agenda includes:
- Codification improvements: financial instruments – credit losses (vintage disclosure: gross write-offs and gross recoveries)
- Hedging: last-of-layer method
- Accounting by a joint venture for nonmonetary assets contributed by investors
- Not-for-profit reporting of gifts in kind
- Financial performance reporting: disaggregation of performance information
- Segment reporting
- Disclosure framework: disclosures (interim reporting)
- Improving the accounting for asset acquisitions and business combinations
- Conceptual framework: measurement
- Conceptual framework: elements
**EITF agenda**

In addition to the topics above, the EITF’s agenda includes projects on Revenue recognition – contract modifications of licenses of intellectual property (EITF 19-B) and Warrant modifications: issuer’s accounting for modifications of equity classified freestanding call options that are not in the scope of Topic 718 or Topic 815 (EITF 19-C). The next EITF meeting is scheduled for 12 March 2020.

**PCC agenda**

In December, members of the PCC and the FASB discussed the PCC’s project on Practical expedient to measure grant-date fair value of equity-classified share-based awards (PCC Issue No. 2018-01). The PCC voted to move forward with the project and asked the FASB staff to draft an exposure draft to be submitted for endorsement by the Board.

They also discussed the FASB’s projects on (1) Identifiable intangible assets and subsequent accounting for goodwill, (2) Distinguishing liabilities from equity (including convertible debt) and (3) Simplifying the balance sheet classification of debt, as well as EITF 19-C.

The next PCC meeting is scheduled for 16-17 April 2020.

**Other resources**

- FASB Technical Agenda
- Private Company Council Meetings
- EITF Update, November 2019 meeting highlights (SCORE No. 07738-191US)
Solicitations of Interest Prior to a Registered Public Offering (Release No. 33-10699)

*Date issued:* 25 September 2019

**Summary**
The SEC adopted a final rule that allows all issuers to gauge market interest in a possible initial public offering or other registered securities offering in discussions with certain institutional investors before or after they file a registration statement. Previously, only emerging growth companies (EGCs) were allowed to test the waters in this manner. The rule is intended to help all issuers evaluate market interest before they incur the costs associated with a public offering.

**Effective date**
The rule was effective on 3 December 2019.

Exchange-Traded Funds (Release Nos. 33-10695; IC-33646)

*Date issued:* 25 September 2019

**Summary**
The SEC adopted a new rule that will allow exchange-traded funds (ETFs) that satisfy certain conditions to come to market without incurring the expense and delay of obtaining an exemptive order that allows them to operate as investment companies under the Investment Company Act of 1940. These conditions include providing daily portfolio transparency on a website; providing website disclosure of certain information, such as historical premiums and discounts and bid-ask spreads; and adopting policies and procedures when custom baskets are used to create or redeem units.

ETFs that are organized as open-end funds will be permitted to rely on the rule, while ETFs organized as unit investment trusts, leveraged or inverse ETFs, ETFs structured as a share class of a multi-class fund, and non-transparent ETFs will not be able to rely on the rule.

**Effective date**
The rule and related form amendments were effective on 23 December 2019, with a one-year transition period for compliance with the form amendments. On 23 December 2020, the SEC will rescind exemptive relief previously granted to ETFs that will be permitted to rely on the rule.

Auditor Independence With Respect to Certain Loans or Debtor-Creditor Relationships (Release Nos. 33-10648; 34-86127; FR-85; IA-5255; IC-3351)

*Date issued:* 18 June 2019

**Summary**
The SEC amended its auditor independence rules on lending relationships between audit firms and certain shareholders of their audit clients in an effort to focus the required analysis on identifying debtor-creditor relationships that could impair an auditor’s objectivity and impartiality. The amendments eliminate aspects of the current rule that presented significant practical challenges, particularly for registered investment companies, pooled investment vehicles and their auditors.
The amendments to Rule 2-01(c)(1)(ii)(A) of Regulation S-X:

- Focus the analysis on beneficial ownership, rather than both beneficial and record ownership, and state that financial intermediaries that hold shares as record owners and have limited authority to make or direct voting or investment decisions on behalf of the shareholders of the audit clients are not considered “beneficial owners” for purposes of the analysis.
- Replace the existing 10% bright-line shareholder ownership test with a “significant influence” test that is similar to other tests in the SEC auditor independence rules and uses concepts applied in ASC 323, and add guidance to help investment funds apply the standard.
- Add a “known through reasonable inquiry” provision for identifying beneficial owners of the audit client’s equity securities.
- For purposes of applying the loan rule to investors in an audit client that is a fund and its affiliates (including commodity pools and foreign funds), exclude from the definition of “audit client” any other funds (e.g., sister funds) that otherwise would be considered affiliates of the audit client.

**Effective date**
The rule was effective on 3 October 2019.

FAST Act Modernization and Simplification of Regulation S-K (Release Nos. 33-10618; 34-85381; IA-5206; IC-33426)

**Date issued:** 20 March 2019

**Summary**
The SEC adopted a final rule to modernize and simplify certain disclosure requirements in Regulation S-K and the related rules and forms, as required by the Fixing America’s Surface Transportation (FAST) Act. These changes include:

- Revising the requirements for management’s discussion and analysis to allow more flexibility, including allowing registrants that provide three years of financial statements to omit discussion of the earliest year and cross-reference its discussion in a previous filing.
- Allowing registrants to redact confidential information from material contracts filed as exhibits, without submitting a confidential treatment request, if the information isn’t material and disclosing it would likely cause competitive harm.
- Removing the example risk factors in Regulation S-K to encourage more meaningful company-specific disclosure and relocating the disclosure requirement within Regulation S-K.
- Clarifying the description of property requirements to emphasize that the disclosures should only include properties that are material to the registrant and permitting registrants to provide disclosure on a collective basis when appropriate.
- Requiring XBRL data tagging for items on the cover pages of certain filings, as well as the use of hyperlinks to information that is incorporated by reference and available on EDGAR.
The rule also prohibits cross-references in financial statements to disclosures in other parts of the filing or the incorporation of information by reference from other filings into financial statements. However, incorporating by reference or cross-referencing to information outside of the financial statements is allowed if it is specifically permitted by SEC rules, US GAAP or IFRS as issued by the International Accounting Standards Board.

The SEC also changed the rules and forms that apply to investment companies, investment advisers and foreign private issuers to reflect these changes.

**Effective date**
The provisions related to the redaction of confidential information in exhibits were effective 2 April 2019, and the provisions requiring XBRL data tagging are subject to a three-year phase-in, depending on the registrant's filing status. All other provisions were effective 2 May 2019.

**Other resources**
- To the Point, SEC modernizes and simplifies certain Regulation S-K disclosure requirements (SCORE No. 07115-191US)

**Amendments to the timing requirements for filing reports on Form N-PORT**
(Release No. IC-33384)

**Date issued:** 27 February 2019

**Summary**
The SEC issued an interim final rule requiring funds to file three Monthly Portfolio Investments Reports on Form N-PORT with the SEC no later than 60 days after the respective fiscal quarter end. The report for the last month of each quarter will be made public upon filing, while the reports for the first and second months of each quarter will not be made public. Funds must maintain the information required by Form N-PORT in their records no later than 30 days after the end of each month and such information must be provided to the SEC promptly upon request.

The SEC issued the interim final rule changing the filing intervals of Monthly Portfolio Investments Reports on Form N-PORT to reduce potential cybersecurity risks arising from the collection and maintenance of sensitive nonpublic information. The amount and timing of the information on Form N-PORT that will be made available to the public (i.e., quarter-end information upon filing) will not change.

**Effective date**
The interim final rule was effective 6 March 2019. Larger fund complexes (i.e., those with $1 billion or more in net assets) with fiscal quarters ending 31 March 2019 were required to file their first report on Form N-PORT by 30 May 2019. Funds in smaller fund complexes with fiscal quarters ending 31 March 2020 will make their first N-PORT filing on EDGAR by 1 June 2020.
## Issued this quarter

### Amendments to Rule 2-01, Qualifications of Accountants (Release Nos. 33-10738; 34-87864; FR-86; IA-5422; IC-33737)

**Date issued:** 30 December 2019 – comment period ends 60 days after publication in the Federal Register

**Summary**

The proposal would change the auditor independence rules to focus the independence analysis on relationships and services that are more likely to pose threats to an auditor's objectivity and impartiality. Among other things, the proposed amendments would:

- Change the definition of a common control affiliate in Rule 2-01(f) of Regulation S-X to include only sister entities that are material to the common controlling entity
- Revise the business relationship rule in Rule 2-01(c) of Regulation S-X to replace the term “substantial stockholder” with “beneficial owners of the audit client’s equity securities where such beneficial owner has significant influence over the audit client”
- Clarify the Loan Rule to focus the analysis on whether the beneficial owner has significant influence over the entity being audited
- Expand the group of audit clients that use the Investment Company Complex definition to determine their affiliates to include private (unregistered) funds and investment advisers
- Reduce the look-back period for compliance with the SEC auditor independence rules to one year prior to the first filing of the initial public offering registration statement by a domestic entity

### Disclosure of Payments by Resource Extraction Issuers (Release No. 34-87783)

**Date issued:** 18 December 2019 – comment period ends 60 days after publication in the Federal Register

**Summary**

The proposal would require resource extraction issuers to make annual disclosures about payments to foreign governments or the US Federal Government for the commercial development of oil, natural gas or minerals. The rules were mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act, but the Commission’s attempts to adopt rules in 2012 and 2016 were nullified by court and Congressional actions. SEC Chairman Jay Clayton said the latest proposal was designed to address both the Dodd-Frank mandate and the issues raised in challenges to the earlier rules.

Among other things, the proposal would require a registrant to disclose its payments by project. The disclosures would include payments made by subsidiaries and entities a registrant controls.

### Amending the “Accredited Investor” Definition (Release Nos. 33-10734; 34-87784)

**Date issued:** 18 December 2019 – comment period ends 60 days after publication in the Federal Register

**Summary**

The proposal would amend the definition of accredited investor to give more investors access to the private capital markets. The amendments would:

- Permit natural persons to qualify as accredited investors based on certain professional certifications and designations
• Allow a “knowledgeable employee” of a private fund to qualify as an accredited investor for the purpose of investing in that fund

• Add certain limited liability companies, registered investment advisers and rural business investment companies (RBICs) to the list of entities that may qualify as accredited investors

• Allow any entity owning investments in excess of $5 million that was not formed for the purpose of investing in the securities offered to qualify as an accredited investor

• Add family offices with at least $5 million in assets under management, as well as their family clients, to the list of entities that may qualify as accredited investors

• Allow spousal equivalents to pool their finances for the purpose of qualifying as accredited investors

The proposed amendments also would change the definition of qualified institutional buyer (QIB) in Rule 144A. Limited liability companies and RBICs, as well as all institutional accredited investors under Rule 501(a), would become eligible for QIB status.

Use of Derivatives by Registered Investment Companies and Business Development Companies; Required Due Diligence by Broker-Dealers and Registered Investment Advisers Regarding Retail Customers’ Transactions in Certain Leveraged/Inverse Investment Vehicles (Release Nos. 34-87607; IA-5413; IC-33704)

Date issued: 25 November 2019 – comment period ends 60 days after publication in the Federal Register

Summary

The proposal would permit mutual funds (other than money market funds), ETFs, registered closed-end funds and business development companies (funds) to enter into derivatives and certain other transactions that create future payment obligations and not include such transactions in the calculation of their asset coverage ratio if they comply with certain conditions, including:

• Implementing a written derivatives risk management program, administered by a derivatives risk manager approved by the fund’s board, that includes risk identification and assessment, risk guidelines, stress testing, backtesting, internal reporting and escalation of material risks, and periodic program reviews, and requiring the manager to report to the board about the program’s implementation and effectiveness

• Complying with an outer limit on fund leverage that cannot exceed 150% of the value-at-risk (VaR) of the fund’s designated reference index or, if that index cannot be identified, an absolute VaR test (under which the fund’s VaR could not exceed 15% of the fund’s net assets)

Funds that limit derivatives exposure to 10% of their net assets or use derivatives to hedge certain currency risks would not have to adopt a derivatives risk management program or comply with the VaR limitations. Leveraged or inverse funds would not have to comply with the proposed limits on leverage, subject to certain conditions, including limiting targeted investment results to 300% of the return (or inverse of the return) of the underlying index.

The proposed rule also would provide guidance on asset coverage ratios for funds that enter into reverse repurchase agreements or similar financing transactions (e.g., securities lending arrangements, tender option bond financings) and unfunded commitments.
The proposal would require funds to confidentially report to the SEC on Form N-LIQUID (to be renamed Form N-RN) if the fund is out of compliance for more than three consecutive business days with the VaR-based limit on fund leverage and would require certain other disclosures on Forms N-PORT and N-CEN, which would be publicly available.

At the same time, the SEC proposed amending a rule to permit leveraged/inverse ETFs to come to market without applying for exemptive orders and proposed related sales practice rules for broker-dealers and SEC-registered investment advisers.

**Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8** (Release No. 34-87458)

**Date issued:** 5 November 2019 – comment period ends 3 February 2020

**Summary**

The proposal would eliminate the 1% ownership threshold for shareholders to submit a proposal but would require shareholders to have continuous ownership of at least:

- $2,000 of the company’s securities for at least three years
- $15,000 of the company’s securities for at least two years
- $25,000 of the company’s securities for at least one year

The proposed amendments would also apply the one-proposal rule to “each person” rather than “each shareholder” who submits a proposal.

Under the current rules, shareholders may submit a proposal for inclusion in the proxy statement if they have owned the lesser of at least 1% or $2,000 in market value of securities entitled to vote on the proposal for at least one year before the proposal is submitted and will continue to own these securities through the shareholders’ meeting date. A shareholder may not submit more than one proposal per shareholders’ meeting.

**Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice** (Release No. 34-87457)

**Date issued:** 5 November 2019 – comment period ends 3 February 2020

**Summary**

The proposed changes to the proxy solicitation rules would provide an opportunity for companies and other soliciting parties to review a proxy advisory firm’s voting advice before it is issued and to request that the advice direct recipients to a written statement setting forth the views of the company or other soliciting party, among other things.

The proposal would also codify recent Commission guidance that proxy voting advice constitutes a solicitation within the meaning of Exchange Act Rule 14a-1(1) and require enhanced disclosure of material conflicts of interest.
**Proposals previously issued**

**Update of Statistical Disclosures for Bank and Savings and Loan Registrants**  
(Release Nos. 33-10688; 34-86984)

*Date issued: 17 September 2019 – comment period ended 2 December 2019*

**Summary**

The proposed rules would update and clarify the requirements for statistical disclosures that bank and savings and loan registrants include in their SEC filings. The proposal would eliminate certain disclosure requirements that overlap with US GAAP, IFRS and other SEC rules and would replace Industry Guide 3, *Statistical Disclosure by Bank Holding Companies*, with a new subpart of Regulation S-K.

Disclosures required under the proposal would include:

- Distribution of assets, liabilities and stockholders’ equity, the related interest income and expense, and interest rates and interest differential (e.g., providing disclosures to investors and other users to understand components of net interest earnings to evaluate the effect of potential changes in interest rates on future income)
- Weighted average yield of investments in debt securities by maturity
- Maturity analysis of the loan portfolio, including amounts that have predetermined interest rates and floating or adjustable interest rates
- Disaggregation of certain credit quality indicators and credit ratios, such as net charge-offs, the allowance for credit losses to total loans and nonaccrual loans to total loans
- Information about bank deposits, including uninsured amounts

**Other resources**

- Comment letter (SCORE No. 07865-191-US)

**Modernization of Regulation S-K Items 101, 103, and 105**  
(Release Nos. 33-10668; 34-86614)

*Date issued: 8 August 2019 – comment period ended 22 October 2019*

**Summary**

The proposal would modify the description of business disclosure requirements (Item 101 of Regulation S-K) to provide a nonexclusive list of disclosure topics that would require responsive disclosures only if they are material to an understanding of the registrant’s business taken as a whole.

The proposal also would eliminate the requirement to discuss the development of the registrant’s business over the past five years and instead give registrants the flexibility to choose a timeframe that reflects their material facts and circumstances. In filings after an initial registration statement, registrants would be permitted to present only material updates and include a hyperlink to the most recently filed disclosure that, together with the update, would present a complete discussion.

The proposal would also require disclosures about human capital resources and related measures or objectives on which management focuses, such as development and/or retention of employees, if material.
The proposal would amend the requirements for the discussion of legal proceedings (Item 103 of Regulation S-K) to permit registrants to include a hyperlink or cross-reference to information about legal proceedings disclosed elsewhere in the same filing. In addition, it would require a registrant to disclose any environmental proceedings to which a government authority is a party if the registrant reasonably believes it will result in sanctions of $300,000 or more, up from $100,000.

The proposal also would amend the risk factor disclosure rules in Item 105 of Regulation S-K to require registrants to report “material” risk factors, rather than their “most significant” risk factors. It also would require registrants to provide a summary risk factor disclosure if the risk factors section of a filing exceeds 15 pages.

**Other resources**
- To the Point, SEC proposes further modernization of Regulation S-K disclosure requirements (SCORE No. 06729-191US)
- Comment letter (SCORE No. 07546-191US)

### Amendments to the Accelerated Filer and Large Accelerated Filer Definitions (Release No. 34-85814)

**Date issued:** 9 May 2019 – comment period ended 29 July 2019

**Summary**
The proposal would amend the definitions of an accelerated filer and a large accelerated filer to exclude SRCs that have not yet begun to generate significant revenue. Under the proposal, SRCs with less than $100 million in revenue would be non-accelerated filers, meaning they would not be subject to the internal control attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 and would have extended deadlines for filing periodic reports with the SEC.

The proposal also would increase the public float thresholds for exiting accelerated filer status to $60 million from $50 million and for exiting large accelerated filer status to $560 million from $500 million (80% of the $75 million accelerated filer and $700 million large accelerated filer entrance thresholds) to make them consistent with the exit thresholds in the SRC definition. In addition, the proposal would add revenue exit thresholds:

- An issuer with revenue above $100 million that qualifies as an SRC because of the public float test (i.e., has public float of less than $250 million) would become a non-accelerated filer if its annual revenue drops below $100 million in its most recently completed year for which audited financial statements are available.
- An issuer that has a public float and revenue above the SRC thresholds (i.e., greater than $250 million and $100 million, respectively) would become a non-accelerated filer and an SRC if its public float is below $560 million and its annual revenue drops below $80 million.

**Other resources**
- To the Point, SEC proposes excluding some smaller reporting companies from accelerated filer status (SCORE No. 06240-191US)
- Comment letter (SCORE No. 06670-191US)
Amendments to Financial Disclosures about Acquired and Disposed Businesses
(Release Nos. 33-10635; 34-85765; IC-33465)

Date issued: 3 May 2019 — comment period ended 29 July 2019

Summary
The proposal would change many of the SEC’s disclosure rules regarding significant businesses that registrants acquire or dispose. The proposal is intended to reduce both the burden of preparing the disclosures and the likelihood of immaterial acquisitions being deemed significant while providing investors with more meaningful disclosures. The proposal would:

• Revise the significance tests registrants use to determine whether they need to provide financial statements of a business they acquire by incorporating the registrant’s market value into the investment test and modifying the income test to use after-tax income and add a revenue component

• Incorporate into SEC rules the established SEC staff practices on using abbreviated financial statements in certain circumstances

• Eliminate the requirement to provide three years of financial statements for any acquired business and allow registration statements to omit acquired business financial statements if the target has been consolidated in the audited financial statements for a full year

• Revise the significance tests and raise the threshold for Form 8-K reporting of disposals of businesses to 20% from 10% to align with the requirements for acquisitions

The proposal would also revise the pro forma financial information requirements to require, in addition to the transaction accounting adjustments, the presentation of management adjustments to reflect synergies and other effects of transactions, including management’s plans, that are reasonably estimable and reasonably expected to occur.

Other resources

• To the Point, SEC proposes changing disclosure requirements for acquisitions and disposals of businesses (SCORE No. 06176-191US)

• Comment letter (SCORE No. 06636-191US)

Securities Offering Reform for Closed-End Investment Companies
(Release Nos. 33-10619; 34-85382; IC-33427)

Date issued: 20 March 2019 — comment period ended 10 June 2019

Summary
The proposal would amend certain rules to align the registration, communications and offering rules for business development companies (BDCs) and registered closed-end funds with those that apply to operating companies. The proposal would allow BDCs and closed-end funds that meet certain filing and reporting history requirements to offer securities using a new short shelf registration statement if they have a public float of at least $75 million, and to qualify for well-known seasoned issuer status if they have a public float of at least $700 million.
The proposal would allow them to follow many of the communication rules related to securities offerings that apply to operating companies. In addition, the proposal would amend structured data requirements, including requiring BDCs to file financial statements using inline XBRL.

The proposal would amend periodic and current reporting requirements, including (1) requiring closed-end funds to provide management’s discussion of fund performance in their annual reports and file current reports on Form 8-K and (2) requiring BDCs and closed-end funds to disclose material changes to investment objectives or policies in Form 8-K, as well as material writedowns of significant investments.

The proposal would also eliminate the requirement for BDCs and closed-end funds to provide new purchasers with a copy of all previously filed materials that are incorporated by reference into the registration statement. Instead, they would be able to make that material available on their websites.

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

Date issued: 19 December 2018 — comment period ended 2 May 2019

Summary

The proposed rule would permit a registered investment company (RIC) or 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.

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.

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)

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.
Guidance on new credit losses standard

*Date issued:* 19 November 2019

**Summary**

The SEC staff issued Staff Accounting Bulletin (SAB) 119 to provide interpretive guidance on applying the new credit losses standard for registrants engaged in lending activities. These registrants should consider the new guidance when documenting their methodology and evaluating the sufficiency of their controls over allowances for credit losses recorded under ASC 326. Until they adopt the new standard, registrants should continue to apply the guidance in SAB 102.

*Effective date*

The guidance was effective 25 November 2019.

Commission Guidance Regarding Proxy Voting Responsibilities of Investment Advisers (Release Nos. IA-5325; IC-33605) and Commission Interpretation and Guidance Regarding the Applicability of the Proxy Rules to Proxy Voting Advice (Release No. 34-86721)

*Date issued:* 21 August 2019

**Summary**

The SEC provided guidance on the proxy voting responsibilities of investment advisers, including when they retain a proxy advisory firm to help them with aspects of those responsibilities, and related disclosures. The SEC also issued an interpretation that proxy voting advice generally constitutes a solicitation subject to the federal proxy rules. This means that voting advice cannot contain any statements that are false or misleading with respect to any material fact.

The new guidance and interpretation were issued following calls from businesses for oversight of proxy firms that advise investors on voting their shares. This Commission guidance carries more weight than the previous SEC staff-level guidance but does not impose additional substantive requirements.

C&DIs on Inline XBRL

*Date issued:* 20 August 2019

**Summary**

The SEC staff in the Division of Corporation Finance issued Compliance and Disclosure Interpretations (C&DIs) that address questions about the rules for Inline XBRL. The C&DIs address how registrants should identify interactive data files, various cover page tagging issues, voluntary submissions made by a registrant before it is required to use Inline XBRL and compliance by foreign private issuers.

The new Inline XBRL tagging requirements are effective for large accelerated files for periods ended after 15 June 2019 (i.e., second quarter Form 10-Q filings for calendar-year companies). They will be phased in for other operating companies and mutual funds over the next three years.
Divisions of Corporation Finance, Investment Management and Trading and Markets, and Office of the Chief Accountant Staff Statement on LIBOR Transition

**Date issued:** 12 July 2019

**Summary**

The SEC staff issued a statement encouraging companies that have not already done so to begin managing their transition away from LIBOR, which is expected to be phased out in 2021. While the statement is focused on LIBOR, the SEC staff noted that companies should also monitor other reference rates undergoing transition.

In the statement, the staff of the Office of the Chief Accountant said the transition could have a significant effect on an issuer's accounting and financial reporting. Areas the staff highlighted include modifications of the terms of debt instruments, hedging activities, inputs used in valuation models and potential income tax consequences.

The staff of the Division of Corporation Finance said it is important for companies to keep investors informed about their progress in managing the transition from LIBOR. Potential disclosures the staff said companies might need to make include risks, if material, related to the transition and how they are being mitigated.

The FASB separately proposed providing temporary optional expedients and exceptions to the US GAAP guidance on contract modifications and hedge accounting in light of the expected market transition from LIBOR and other reference interest rates to alternatives, such as the Secured Overnight Financing Rate. The proposal would provide relief in some of the areas highlighted by the SEC staff.

Division of Corporation Finance Announcement Regarding Rule 14a-8 No-Action Requests

**Date issued:** 6 September 2019

**Summary**

The SEC staff in the Division of Corporation Finance announced that, starting with the 2019-2020 shareholder proposal season, it may respond orally instead of in writing to some no-action requests to exclude shareholder proposals from a proxy statement. The staff said it intends to issue response letters only when it believes doing so would “provide value” (e.g., provide broadly applicable guidance). In some situations, the staff may decline to express a view on a request, but parties should not interpret that as an indication that a proposal must be included in a proxy statement.

SEC staff issues framework for analyzing whether a digital asset is a security

**Date issued:** 3 April 2019

**Summary**

The SEC staff issued a framework for analyzing whether a digital asset, such as a token or coin, meets the definition of a security under US securities laws. The framework is built on the analysis of an investment contract that the US Supreme Court laid out in SEC v. Howey in 1946 in what became known as the Howey test. Under this test, a digital asset would meet the definition of a security if it involves an investment of money in a common enterprise with a reasonable expectation of profit.
derived from the efforts of others. The framework issued by the staff of the SEC’s Strategic Hub for Innovation and Financial Technology (FinHub) identifies characteristics that market participants should consider to determine whether and when a digital asset is offered or sold as an investment contract and, therefore, is a security.

The Division of Corporation Finance also issued a response to a no-action request indicating it will not recommend enforcement action if the digital tokens described in the request were offered or sold without registration because, among other things, those tokens will only be used to prepay for services within an existing business, and the token proceeds will not be used for development. The response illustrates how the SEC staff applied the framework to a specific fact pattern.
2020 US GAAP financial reporting and SEC reporting taxonomies now available

Date issued: 20 December 2019

Summary
The 2020 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 tagging requirements for financial statement and schedule disclosures required by the SEC. The SEC is expected to approve the taxonomies in early 2020, after which registrants will be able to use them.
Amendments to Auditing Standards for Auditor's Use of the Work of Specialists (PCAOB Release No. 2018-006)

*Date approved by the SEC: 1 July 2019*

**Summary**
The PCAOB adopted amendments to its standards on an auditor’s use of the work of a specialist to strengthen the requirements on evaluating the work of a company specialist and to enhance the supervision of specialists employed by auditors. The amendments 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. The amendments also require auditors to evaluate certain factors to design a risk-based approach for using the work of a specialist.

The amendments retain the definition of a specialist, and as a result, they don't apply to individuals who specialize in income taxes and information technology and participate in an audit, since those topics are considered specialized areas of accounting and auditing.

**Effective date**
The guidance is 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 approved by the SEC: 1 July 2019*

**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**
The guidance is 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)
**Issued this quarter**

**Potential Approach to Revisions to PCAOB Quality Control Standards**  
(PCAOB Release No. 2019-003)  

**Date issued:** 17 December 2019 — comment period ends 16 March 2020  

**Summary**  
The PCAOB issued a concept release seeking feedback on a potential approach to revising its quality control standards. The PCAOB is considering an integrated, risk-based framework that uses the quality management standard proposed by the International Auditing and Assurance Standards Board (IAASB) as a starting point.

**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)  

**Date issued:** 26 September 2017 — comment period ended 15 November 2017  

**Summary**  
The PCAOB issued a supplemental request for comment on its 2016 proposal to strengthen the requirements for lead auditors to plan, supervise and evaluate the work of other auditors and impose a more uniform approach. The proposed amendments to the PCAOB’s auditing standards would modify and expand upon certain existing requirements regarding communication with and supervision of other auditors. They also would require the lead auditor to evaluate his or her participation in an audit involving other auditors or referred-to auditors to determine whether it is sufficient to sign the audit opinion.

The proposal also would create a new standard that would apply when an accounting firm divides responsibility for an audit with another accounting firm.

**Other resources**

- To the Point, *PCAOB asks for more input on its proposal on supervision of other auditors*  
  (SCORE No. 05669-171US)
PCAOB staff issues a critical audit matters Spotlight

Date issued: 10 December 2019
Summary
The PCOAB staff issued a publication on its initial observations of how auditors implemented the requirement to report on critical audit matters (CAMs) in their auditor’s reports, based on its stakeholder outreach, data analysis activities and inspections of audits of certain large accelerated filers. This publication is the first Spotlight produced by the PCAOB staff.

Earlier in 2019, the PCAOB issued guidance documents on CAM reporting for auditors. The PCAOB also released publications with insights for audit committees and investors. In addition, the PCAOB issued an overview of the standard; a summary of its observations of audit firm methodologies, based on reviews that the PCAOB staff performed of how audit firms were preparing to implement the requirement; and a series of frequently asked questions.

PCAOB staff issues guidance on auditing estimates and the auditor’s use of the work of specialists

Date issued: 22 August 2019
Summary
The PCAOB staff issued four guidance documents to assist auditors in implementing the new audit requirements for estimates and using the work of specialists as audit evidence. These changes are effective for audits of financial statements for fiscal years ending on or after 15 December 2020.

Other resources
- PCAOB staff guidance: Auditing accounting estimates
- PCAOB staff guidance: Auditing the fair value of financial instruments
- PCAOB staff guidance: Supervising or using the work of an auditor’s specialist
- PCAOB staff guidance: Using the work of a company’s specialist

PCAOB staff issues guidance on Rule 3526(b) communications

Date issued: 31 May 2019
Summary
The PCAOB staff issued guidance on PCAOB Rule 3526, Communication with Audit Committees Concerning Independence, to address questions that have arisen about how an auditor should comply with its annual Rule 3526(b) communication obligations when an independence breach has occurred. The staff guidance describes elements of the required discussion with the audit committee and suggests language that a firm may use to describe the breach in its annual written independence letter issued in accordance with PCAOB Rule 3526(b)(3).
Amendments to the Description of the Concept of Materiality (Statement on Auditing Standards No. 138)

**Date issued:** 5 December 2019

**Summary**
Statement on Auditing Standards (SAS) No. 138 more closely aligns the concept of materiality in the American Institute of Certified Public Accountants (AICPA) auditing standards with the definition of materiality used by the Supreme Court, the PCAOB, the SEC and the FASB. The new standard focuses on whether “there is a substantial likelihood” that misstatements or omissions, either individually or in the aggregate, “would influence the judgment” made by reasonable users based on the financial statements rather than whether misstatements or omissions “could reasonably be expected to influence economic decisions” of users.

**Effective date**
The SAS is effective for audits of financial statements for periods ending on or after 15 December 2020.

The Auditor's Responsibilities Relating to Other Information Included in Annual Reports (Statement on Auditing Standards No. 137)

**Date issued:** 10 July 2019

**Summary**
SAS No. 137 clarifies the auditor’s responsibility for other information included in annual reports that contain, accompany or incorporate by reference the financial statements.

The SAS requires the auditor's report to include a separate section describing the auditor's work with respect to other information, when, at the date of the auditor's report, the auditor has obtained all of the other information. It also expands the auditor's responsibilities with respect to other information by requiring the auditor to consider whether the other information is consistent with the auditor’s understanding of the entity and its environment.

**Effective date**
The SAS is effective for audits of financial statements for periods ending on or after 15 December 2020. Early implementation is not permitted.

Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA (Statement on Auditing Standards No. 136)

**Date issued:** 10 July 2019

**Summary**
The ASB issued SAS No. 136 (the EBP SAS) for financial statement audits of EBPs that are subject to the Employee Retirement Income Security Act of 1974 (ERISA).

The EBP SAS requires auditors to test plan provisions based on the assessed risk of material misstatement and communicate reportable findings in writing to those charged with governance, rather than include them 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 are 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 EBP SAS reflects 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 EBP SAS also requires the auditor 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 EBP SAS is effective for audits of ERISA plan financial statements for periods ending on or after 15 December 2020. Early implementation is not permitted.

**Other resources**
- To the Point, AICPA issues final standard that changes the requirements for ERISA plan audits and auditor’s reports (SCORE No. 06527-191US)

**Omnibus Statement on Auditing Standards – 2019 (Statement on Auditing Standards No. 135)**

**Date issued:** 8 May 2019

**Summary**
The ASB issued SAS No. 135 (omnibus SAS) that minimizes certain differences between the auditing standards of the AICPA and those of the PCAOB on related parties and communications with those charged with governance, among other things.

The omnibus SAS enhances the requirements to identify undisclosed related parties and related party transactions. It also requires 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.

**Effective date**
The SAS is effective for audits of financial statements for periods ending on or after 15 December 2020.

**Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements (Statement on Auditing Standards No. 134)**

**Date issued:** 8 May 2019

**Summary**
The ASB issued SAS No. 134 to change the form and content of the auditor’s report for audits of non-issuers, including the position of the “Opinion” and the “Basis for Opinion” sections.

In doing so, the ASB is trying to increase the informational value and relevance of the auditor’s report. The standard more closely aligns the auditor’s reporting standards of the AICPA with those of the PCAOB and the IAASB. A notable difference is that the PCAOB standard requires auditors of most public companies to report on CAMs, while the AICPA standard requires auditors of private companies to report on key audit matters only when the auditor is engaged to do so.
The SAS expands the description of management's responsibilities for the preparation and fair presentation of the financial statements. It also includes a new paragraph that describes management's responsibility for the evaluation of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern, when the applicable financial reporting framework requires management to make that evaluation.

The SAS also amends various standards to emphasize the auditor's responsibility to focus on management's financial statement disclosures throughout the audit, improve communications to those charged with governance and enhance the auditor's reporting related to going concern matters.

**Effective date**
The SAS is effective for audits of financial statements for periods ending on or after 15 December 2020. Early implementation is not permitted.

**Other resources**
- To the Point, AICPA issues final standard that changes the form and content of the auditor’s report (SCORE No. 06397-191US)

### Amendments to the Description of the Concept of Materiality (Statement on Standards for Attestation Engagements No. 20)

**Date issued:** 5 December 2019

**Summary**
Statement on Standards for Attestation Engagements (SSAE) No. 20 more closely aligns the concept of materiality in the AICPA attestation standards with the definition of materiality used by the Supreme Court, the PCAOB, the SEC and the FASB. The new standard focuses on whether “there is a substantial likelihood” that misstatements or omissions, either individually or in the aggregate, “would influence the judgment” made by intended users based on the subject matter rather than whether misstatements or omissions “could reasonably be expected to influence relevant decisions” of intended users.

**Effective date**
The SSAE is effective for practitioners’ examination or review reports dated on or after 15 December 2020.

### Agreed-Upon Procedures Engagements (Statement on Standards for Attestation Engagements No. 19)

**Date issued:** 5 December 2019

**Summary**
SSAE No. 19 provides flexibility to a practitioner performing an agreed-upon procedures (AUP) engagement by (1) removing the requirement that the practitioner request an assertion from the responsible party, (2) permitting the practitioner to issue a general-use report, (3) no longer requiring intended users to take responsibility for the sufficiency of the procedures, and (4) allowing procedures to be developed over the course of the engagement and allowing the practitioner to develop or assist in developing the procedures with a requirement that the engaging party acknowledge the appropriateness of the procedures prior to the issuance of the practitioner’s report.
Effective date
The SSAE is effective for practitioners’ AUP reports dated on or after 15 July 2021. Early implementation is permitted.

Other resources
- To the Point, **AICPA allows agreed-upon procedures engagements to be performed in more situations** (SCORE No. 07925-191US)
ASB exposure drafts

Issued this quarter

Amendments to AU-C sections 725, 730, 930, 935, and 940

Date issued: 10 December 2019 — comment period ends 10 February 2020

Summary
The ASB proposed amendments that would conform various sections of its codification to its recently issued standards on auditor reporting (SAS No. 134), the auditor's responsibilities relating to other information included in annual reports (SAS No. 137) and the amendments to the description of the concept of materiality (SAS No. 138). The AU-C sections that would be amended by the proposed SAS include:

- AU-C Section 725, Supplementary Information in Relation to the Financial Statements as a Whole
- AU-C Section 730, Required Supplementary Information
- AU-C Section 930, Interim Financial Information
- AU-C Section 935, Compliance Audits

The proposed SAS would also amend certain AU-C sections to reflect practice issues that have arisen since the most recent revisions to them. Most notably, the proposal would revise AU-C section 935 to reflect recent developments in the compliance arena, such as the issuance of Title 2 U.S. Code of Federal Regulations Part 200 — Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, changes in the Office of Management and Budget Compliance Supplement and issuance of the Yellow Book.

Effective date
The amendments to AU-C sections 725, 730, 935 and 940 would be effective for audits for fiscal periods ending on or after 15 December 2020. The amendments to AU-C section 930 would be effective for reviews of interim financial information for interim periods of fiscal years beginning on or after 15 December 2020. Early implementation is not permitted.

Proposals previously issued

Amendments to AU-C 800 series

Date issued: 28 August 2019 — comment period ended 28 October 2019

Summary
The proposal would conform the AU-C 800 series guidance with the changes to the format and content of the auditor's report and other provisions of SAS No. 134 and other recently issued SASs. It would also make a limited number of revisions to converge the AICPA standards with those of the IAASB.

Effective date
The guidance would be effective for audits of financial statements for periods ending on or after 15 December 2020.
**Auditing Accounting Estimates and Related Disclosures**

*Date issued:* 22 August 2019 — *comment period ended* 22 November 2019

*Summary*

The proposal would require specific risk assessment procedures for estimates, including fair value measurements, that address the increasingly complex business environment and the complexity in financial reporting frameworks. The proposal also would emphasize the need for professional skepticism when auditing estimates because they generally involve assumptions and estimation uncertainty that make them susceptible to misstatement due to management bias.

In developing the proposal, the ASB considered revisions to auditing standards on estimates made by the IAASB and the PCAOB.

*Effective date*

The guidance would be effective for audits of financial statements for periods ending on or after 15 December 2022.

**Other resources**

- Comment letter (SCORE No. 07611-191US)

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**Audit Evidence**

*Date issued:* 20 June 2019 — *comment period ended* 18 September 2019

*Summary*

The proposal would clarify what constitutes audit evidence in an audit of financial statements. Auditors would be required to consider certain factors when evaluating information to be used as audit evidence, and the definition of the sufficiency of audit evidence would be modified to focus on the persuasiveness of the evidence rather than the quantity of the evidence. The attributes and factors that an auditor would need to consider when evaluating evidence would include the information's source, relevance and reliability, and whether the information corroborates or contradicts the assertions in the financial statements.

The proposal also would address the expanding sources of information that could be used as audit evidence, provide examples of emerging technologies (e.g., audit data analytics) that may be used by an auditor and describe activities undertaken by an auditor to more clearly demonstrate the application of professional skepticism.

*Effective date*

The guidance would be effective for audits of financial statements for periods beginning on or after 15 June 2021.

**Other resources**

- Comment letter (SCORE No. 07848-191US)
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 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 examination and review 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.

The proposal also would change the name of review engagements to limited assurance engagements and expand the guidance on the types of procedures that can be performed beyond the description of inquiries and analytical procedures that exist today. Under the proposal, accountants would be permitted to express an adverse conclusion if they conclude that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter. As a result, accountants would no longer be required to withdraw from such an engagement. For all review reports, accountants would also have to include a description of the work performed as the basis for their conclusion.

The proposed SSAE also would make revisions to AT-C section 215, Agreed-Upon Procedures Engagements. In November 2019 the ASB issued SSAE No. 19, Agreed-Upon Procedures Engagements, which finalized that portion of the project.

Effective date
The effective date has not been determined.

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)
Auditing Interpretation No. 5, Communicating Critical Audit Matters When Reporting on Audits Conducted in Accordance With Auditing Standards Generally Accepted in the United States of America and the Standards of the PCAOB, to Section 700A, Forming an Opinion and Reporting on Financial Statements

*Date issued: 23 October 2019*

The interpretation provides guidance on whether an auditor is required to communicate CAMs when performing an audit in accordance with both generally accepted auditing standards and PCAOB Auditing Standard (AS) 3101. The guidance states that an auditor should apply all the requirements for CAMs set forth in PCAOB AS 3101 unless it is determined by management that the entity is exempt from such requirements based on that guidance.
Proposals previously issued

Proposed Statement on Standards for Accounting and Review Services, Materiality in a Review of Financial Statements, Adverse Conclusions, and Special Purpose Frameworks

Date issued: 19 June 2019 – comment period ended 20 September 2019

Summary
The proposal would amend AR-C sections 60, 70, 80 and 90 and would further converge AR-C section 90, Review of Financial Statements, with international standards. It also would better align certain concepts in the Statements on Standards for Accounting and Review Services (SSARSs), such as materiality, with those in the auditing standards.

Effective date
The revisions to the AR-C sections would be effective for engagements performed in accordance with SSARSs on financial statements for periods ending on or after 15 June 2021.
GASB Statement No. 91, Conduit Debt Obligations

*Date issued:* 28 May 2019

**Summary**

The amended guidance on conduit debt obligations and related commitments addresses diversity in practice by clarifying what a conduit debt obligation is and eliminating the option for government issuers to recognize conduit debt obligations, thereby providing a single reporting method. It also broadens the definition of conduit debt obligations and clarifies how government issuers should account for and report (1) commitments they extend or voluntarily provide and (2) arrangements associated with conduit debt obligations, which often are characterized in practice as leases but are not leases for financial reporting purposes. The guidance also enhances disclosures in the notes to the financial statements.

**Effective date and transition**

The guidance is effective for reporting periods beginning after 15 December 2020. Earlier application is encouraged. Changes adopted to conform to the provisions of the guidance should be applied retroactively by restating financial statements, if practicable, for all prior periods presented.

Implementation Guide No. 2019-3, Leases

*Date issued:* 15 August 2019

**Summary**

The GASB issued an implementation guide containing questions and answers addressing the application of GASB Statement No. 87, *Leases*. The guide covers scope and applicability; determining the term of a lease; determining whether a lease qualifies for the short-term lease exception; recognition, measurement and disclosure by lessees and lessors; accounting for contracts with multiple components and contract combinations; accounting for modifications and terminations of leases; and sale-leasebacks, lease-leasebacks and intra-entity leases.

**Effective date and transition**

The guide’s requirements are effective for reporting periods beginning after 15 December 2019. Earlier application is encouraged if Statement 87 has been implemented. Changes adopted to conform to the provisions of the implementation guide should be applied retroactively by restating financial statements, if practicable, for all prior periods presented.

Implementation Guide No. 2019-2, Fiduciary Activities

*Date issued:* 17 June 2019

**Summary**

The GASB issued an implementation guide containing questions and answers to address issues related to accounting and financial reporting under GASB Statement No. 84, *Fiduciary Activities*.

**Effective date and transition**

The guide’s requirements are effective for financial reporting periods beginning after 15 December 2018. Earlier application is encouraged if Statement 84 has been implemented. Changes adopted to conform to the provisions of the implementation guide should be applied retroactively by restating financial statements, if practicable, for all prior periods presented.

Date issued: 2 May 2019

Summary
The GASB issued an implementation guide containing questions and answers to clarify, explain or elaborate on the implementation and application of certain GASB Statements.

Effective date and transition
The guidance is effective for reporting periods beginning after 15 June 2019. Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented. Changes adopted to conform to the provisions of the guidance should be applied retroactively by restating financial statements, if practicable, for all prior periods presented.
Issued this quarter

Implementation Guidance Update – 2020

*Date issued:* 4 December 2019 – comment period ends 31 January 2020

*Summary*
The proposed implementation guidance contains new questions and answers about the application of the GASB’s standards on the financial reporting entity, fiduciary activities, leases, external investment pools, asset retirement obligations, and conduit debt obligations. The proposed guide also would include amendments to previously issued implementation guidance.

*Effective date*
The proposed guidance would be effective as of different reporting periods for different questions and answers. Earlier application would be encouraged if the pronouncement addressed by the question and answer has been implemented.

Other proposals previously issued

Replacement of Interbank Offered Rates

*Date issued:* 26 September 2019 – comment period ended 27 November 2019

*Summary*
The proposed accounting and financial reporting guidance would help state and local governments in the anticipated transition away from LIBOR and other interbank offered rates to alternative reference rates. The FASB has also issued a proposal intended to provide relief related to the anticipated transition away from LIBOR in 2021. The proposal would:

- Allow governments to continue using hedge accounting for certain hedging derivative instruments that are amended or replaced to change the reference rate from an interbank offered rate
- Clarify the hedge accounting termination provisions when an interbank offered rate is replaced as a reference rate of a hedged item
- Clarify that the uncertainty associated with reference rate reform does not, by itself, affect the probability that a hedged expected transaction will occur
- Remove LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Add the Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates
- Clarify the definition of reference rate
- Provide an exception to the guidance on lease modifications in Statement 87 for certain lease contract amendments related to interbank offered rates
Effective date
The proposed removal of LIBOR as an appropriate benchmark interest rate would be effective for reporting periods beginning after 15 December 2020. All other requirements of the proposed guidance would be effective for reporting periods beginning after 15 June 2020. Earlier application would be encouraged.

Omnibus 20XX

Date issued: 9 July 2019 – comment period ended 4 October 2019

Summary
The GASB proposed guidance that would address various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements.

Effective date
Some of the requirements would be effective immediately, while others would be effective for fiscal years or reporting periods beginning after 15 June 2020 or for government acquisitions in reporting periods beginning after that date. Earlier application would be permitted and encouraged by topic.

Internal Revenue Code Section 457 Deferred Compensation Plans That Meet the Definition of a Pension Plan and Supersession of GASB Statement 32

Date issued: 28 June 2019 – comment period ended 27 September 2019

Summary
The GASB proposed changing its guidance to state that if an Internal Revenue Code Section 457 plan meets the GASB definition of a pension plan, the appropriate GASB pension standards should be applied to the financial reporting for that plan and for the benefits provided through that plan. Section 457 plans are currently excluded from the GASB pension standards.

Effective date
The proposed guidance would be effective for fiscal years beginning after 15 December 2020. Earlier application would be encouraged.

Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Date issued: 13 June 2019 – comment period ended 13 September 2019

Summary
The GASB proposed guidance for public-private and public-public partnership arrangements that are outside of the scope of its existing guidance for these transactions in GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement 87. The proposal also would make certain improvements to the guidance currently included in Statement 60 and provide accounting and financial reporting guidance for availability payment arrangements.

Effective date
The proposed guidance would be effective for fiscal years beginning after 15 June 2021 and all reporting periods thereafter. Earlier application would be encouraged.
Subscription-Based Information Technology Arrangements

Date issued: 21 May 2019 – comment period ended 23 August 2019

Summary
The GASB proposed guidance on the accounting and financial reporting for cloud computing and similar subscription-based information technology (IT) arrangements for state and local governments. The proposal would apply many of the provisions of Statement 87 to such arrangements.

The proposal would define a subscription-based IT arrangement (SBITA) as a contract that conveys control of the right to use a SBITA vendor’s hardware, software, or both, including IT infrastructure, for a period of time in an exchange or exchange-like transaction. Governments with SBITAs would recognize a right-to-use subscription asset and a corresponding subscription liability, with an exception for short-term SBITAs with a maximum term of 12 months. The proposal also would address outlays other than subscription payments.

Effective date
The proposed guidance would be effective for fiscal years beginning after 15 June 2021 and all reporting periods thereafter. Earlier application would be encouraged.
Preliminary Views, Financial Reporting Model Improvements

Date issued: 28 September 2018 – comment period ended 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 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.

The GASB held public hearings and user forums on the topic in the first quarter of 2019.

Preliminary Views, Recognition of Elements of Financial Statements

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

Summary
The GASB issued its Preliminary Views on concepts related to the recognition of elements of financial statements, such as assets and liabilities. The GASB proposed that an item being considered for recognition in the 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.

The GASB held public hearings and user forums on the topic in the first quarter of 2019.

Invitation to Comment, Revenue and Expense Recognition

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

Summary
The GASB issued an ITC on the development of comprehensive revenue and expense recognition guidance for state and local governments. The ITC 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.

What’s next – agenda highlights
The GASB’s agenda also includes:

- Conceptual framework: disclosure framework
- Compensated absences – Reexamination of Statement 16
- Prior Period Adjustments, Accounting Changes, and Error Corrections – Reexamination of Statement 62
### Note: Early adoption generally is permitted unless otherwise noted.

<table>
<thead>
<tr>
<th>Effective in 2019 for public 1 calendar year-end entities 2</th>
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<tbody>
<tr>
<td><strong>ASU 2019-07</strong> Codification Updates to SEC Sections – Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates (SEC Update) 3</td>
<td>Effective upon issuance (26 July 2019). See SEC releases for effective date information.</td>
</tr>
<tr>
<td><strong>ASU 2019-06</strong> 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</td>
<td>Effective upon issuance (30 May 2019).</td>
</tr>
<tr>
<td><strong>ASU 2019-01</strong> Leases (Topic 842), Codification Improvements</td>
<td>Amendments to clarify transition disclosure requirements: Effective upon adoption of the amendments in ASU 2016-02. Other amendments: Effective for fiscal years beginning after 15 December 2019, and interim periods within those fiscal years.</td>
</tr>
<tr>
<td><strong>ASU 2018-20</strong> Leases (Topic 842), Narrow-Scope Improvements for Lessors</td>
<td>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 (10 December 2018) or on the date they would have been required to adopt ASC 842.</td>
</tr>
<tr>
<td><strong>ASU 2018-16</strong> 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>
<td>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. Entities that have adopted ASU 2017-12: Effective for fiscal years beginning after 15 December 2018, and interim periods within those fiscal years.</td>
</tr>
<tr>
<td><strong>ASU 2018-11</strong> Leases (Topic 842), Targeted Improvements</td>
<td>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 lessor expedient either in the first reporting period following the issuance of the ASU (30 July 2018) or on the date they would have been required to adopt ASC 842.</td>
</tr>
<tr>
<td><strong>ASU 2018-10</strong> Codification Improvements to Topic 842, Leases</td>
<td>Entities that have not yet adopted ASC 842: Effective upon adoption of the amendments in ASU 2016-02. Entities that have adopted ASC 842: Effective upon issuance (18 July 2018).</td>
</tr>
</tbody>
</table>

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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 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 2019 for public¹ calendar year-end entities²

| ASU 2018-09 | Codification Improvements | Amendments that do not have transition guidance: Effective upon issuance (16 July 2018).
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 2018, including interim periods within those annual periods. |
| ASU 2018-08 | Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made | Resource recipients: Effective for annual periods beginning after 15 June 2018, including interim periods within those annual periods.
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 fiscal years beginning after 15 December 2018, including interim periods within those fiscal years. Early adoption is not permitted before an entity’s adoption of ASC 606. |
| ASU 2018-02 | Income Statement — Reporting Comprehensive Income (Topic 220), Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income | Effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2018. |
| ASU 2018-01 | Leases (Topic 842), Land Easement Practical Expedient for Transition to Topic 842 | Effective upon adoption of the amendments in ASU 2016-02. |
| 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 | Amendments to ASC 606 and ASC 842: Effective upon announcement.
Amendments to ASC 605: Effective upon adoption of the amendments in ASU 2014-09.
Amendments to ASC 840: Effective upon adoption of the amendments in ASU 2016-02. |
| ASU 2017-12 | Derivatives and Hedging (Topic 815), Targeted Improvements to Accounting for Hedging Activities | Effective for fiscal years beginning after 15 December 2018, and interim periods within those fiscal years. |
| ASU 2017-11 | 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 | 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. |
| ASU 2017-08 | Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities | Effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2018. |
### Effective in 2019 for public¹ calendar year-end entities²

<table>
<thead>
<tr>
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<tbody>
<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 after 2019 for public¹ calendar year-end entities²

<table>
<thead>
<tr>
<th>ASU 2019-12</th>
<th>Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes</th>
<th>Effective for fiscal years beginning after 15 December 2020, and interim periods within those fiscal years.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU 2019-08</td>
<td>Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606), Codification Improvements – Share-Based Consideration Payable to a Customer</td>
<td>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 ASU 2018-07.</td>
</tr>
<tr>
<td>ASU 2019-05</td>
<td>Financial Instruments – Credit Losses (Topic 326), Targeted Transition Relief</td>
<td>Entities that have not yet adopted ASU 2016-13: Effective upon adoption of the amendments in ASU 2016-13. Early adoption is not permitted before an entity's adoption of ASU 2016-13. Entities that have adopted ASU 2016-13: Effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years.</td>
</tr>
<tr>
<td>ASU 2019-04</td>
<td>Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments</td>
<td>Amendments related to ASU 2016-13, for entities that have not yet adopted that guidance: Effective upon adoption of the amendments in ASU 2016-13. Early adoption is not permitted before an entity's adoption of ASU 2016-13. Amendments related to ASU 2016-13, for entities that have adopted that guidance: Effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years. Amendments related to ASU 2017-12, for entities that have not yet adopted that guidance: Effective upon adoption of the amendments in ASU 2017-12. Early adoption is not permitted before an entity's adoption of ASU 2017-12. Amendments related to ASU 2017-12, for entities that have adopted that guidance: Effective as of the beginning of the first annual reporting period beginning after issuance of this ASU (25 April 2019). Amendments related to ASU 2016-01: 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 ASU 2016-01.</td>
</tr>
<tr>
<td>ASU 2019-03</td>
<td>Not-for-Profit Entities (Topic 958), Updating the Definition of Collections</td>
<td>Effective for annual periods beginning after 15 December 2019, and interim periods within annual periods beginning after 15 December 2020.</td>
</tr>
<tr>
<td>ASU 2019-02</td>
<td>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</td>
<td>Effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2019.</td>
</tr>
<tr>
<td>ASU 2018-18</td>
<td>Collaborative Arrangements (Topic 808), Clarifying the Interaction between Topic 808 and Topic 606</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2018-17</td>
<td>Consolidation (Topic 810), Targeted Improvements to Related Party Guidance for Variable Interest Entities</td>
<td>Effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years.</td>
</tr>
<tr>
<td>ASU 2018-12</td>
<td>Financial Services – Insurance (Topic 944), Targeted Improvements to the Accounting for Long-Duration Contracts</td>
<td>SEC filers, excluding smaller reporting companies (SRCs): Effective for fiscal years beginning after 15 December 2021, and interim periods within those fiscal years. Other SEC filers: Effective for fiscal years beginning after 15 December 2023, and interim periods within fiscal years beginning after 15 December 2024.</td>
</tr>
<tr>
<td>ASU 2017-04</td>
<td>Intangibles – Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment</td>
<td>SEC filers, excluding SRCs: Effective for annual and any interim impairment tests performed for periods beginning after 15 December 2019. Other SEC filers: Effective for annual and any interim impairment tests performed for periods beginning after 15 December 2022.</td>
</tr>
<tr>
<td>ASU 2016-13</td>
<td>Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments</td>
<td>SEC filers, excluding SRCs: Effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years. Other SEC filers: Effective for fiscal years beginning after 15 December 2022, 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>
</tbody>
</table>

4 ASU 2019-09 deferred the effective dates of the new standard on long-duration insurance contracts for all entities.
5 ASU 2019-10 deferred these effective dates to align them with the new effective dates of the new credit losses standard.
6 ASU 2019-10 deferred the effective date of the new credit losses standard for all entities except SEC filers that are not SRCs.
Effective in 2019 for nonpublic calendar year-end entities

<table>
<thead>
<tr>
<th>ASU 2019-06</th>
<th>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</th>
<th>Effective upon issuance (30 May 2019).</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU 2018-09</td>
<td>Codification Improvements</td>
<td>Amendments that do not have transition guidance: Effective upon issuance (16 July 2018). 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.</td>
</tr>
<tr>
<td>ASU 2018-03</td>
<td>Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2017-10</td>
<td>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. Entities that have adopted ASC 606: Effective for fiscal years beginning after 15 December 2018, and interim periods within fiscal years beginning after 15 December 19.</td>
</tr>
</tbody>
</table>

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.
### Effective in 2019 for nonpublic calendar year-end entities

| ASU 2017-05 | 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 | Effective upon adoption of the amendments in ASU 2014-09. |
| ASU 2016-20 | Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers | Effective upon adoption of the amendments in ASU 2014-09. |
| 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 2016-04 | Liabilities — Extinguishments of Liabilities (Subtopic 405-20), Recognition of Breakage for Certain Prepaid Stored-Value Products | Effective for fiscal years beginning after 15 December 2018, and interim periods within fiscal years beginning after 15 December 2019. |
| 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.⁸ |

### Effective after 2019 for nonpublic calendar year-end entities

| ASU 2019-12 | Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes | Effective for fiscal years beginning after 15 December 2021, and interim periods within fiscal years beginning after 15 December 2022. |

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⁸ ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, deferred the effective date for the new revenue standard for public and nonpublic entities reporting under US GAAP.
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<thead>
<tr>
<th>ASU Number</th>
<th>Description</th>
<th>Effective Dates</th>
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<tbody>
<tr>
<td>ASU 2019-11</td>
<td>Codification Improvements to Topic 326, Financial Instruments – Credit Losses</td>
<td>Effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years.</td>
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<tr>
<td>ASU 2019-08</td>
<td>Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606), Codification Improvements – Share-Based Consideration Payable to a Customer</td>
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<td>Effective for fiscal years beginning after 15 December 2019, including interim periods within those fiscal years.</td>
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<tr>
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<td>Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments</td>
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<tr>
<td>ASU 2019-03</td>
<td>Not-for-Profit Entities (Topic 958), Updating the Definition of Collections</td>
<td>Effective for annual periods beginning after 15 December 2019, and interim periods within annual periods beginning after 15 December 2020.</td>
</tr>
<tr>
<td>ASU 2019-02</td>
<td>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</td>
<td>Effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 2020.</td>
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<tr>
<td>ASU 2019-01</td>
<td>Leases (Topic 842), Codification Improvements</td>
<td>Amendments to clarify transition disclosure requirements: Effective upon adoption of the amendments in ASU 2016-02. Other amendments: Effective for fiscal years beginning after 15 December 2020, and interim periods within fiscal years beginning after 15 December 2021.</td>
</tr>
</tbody>
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9 ASU 2019-10 deferred the effective date for its new standard on leases for entities that are not public business entities; not not-for-profit entities that have issued, or are conduit bond obligors for, certain securities; and not employee benefit plans that file or furnish financial statements with or to the SEC.
<table>
<thead>
<tr>
<th>ASU Number</th>
<th>Description</th>
<th>Effective Date</th>
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<tbody>
<tr>
<td>ASU 2018-20</td>
<td>Leases (Topic 842), Narrow-Scope Improvements for Lessors</td>
<td>Effective after 2019 for nonpublic calendar year-end entities</td>
</tr>
<tr>
<td>ASU 2018-18</td>
<td>Collaborative Arrangements (Topic 808), Clarifying the Interaction between Topic 808 and Topic 606</td>
<td>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.</td>
</tr>
<tr>
<td>ASU 2018-16</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>
<td>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 ASC 606. Entities that have adopted ASU 2017-12: Effective for fiscal years beginning after 15 December 2019, and interim periods within those fiscal years.</td>
</tr>
<tr>
<td>ASU 2018-12</td>
<td>Financial Services – Insurance (Topic 944), Targeted Improvements to the Accounting for Long-Duration Contracts</td>
<td>Effective for fiscal years beginning after 15 December 2023, and interim periods within fiscal years beginning after 15 December 2024.4</td>
</tr>
<tr>
<td>ASU 2018-11</td>
<td>Leases (Topic 842), Targeted Improvements</td>
<td>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 lessor expedient either in the first reporting period following the issuance of the ASU (30 July 2018) or on the date they would have been required to adopt ASC 842.</td>
</tr>
<tr>
<td>ASU 2018-10</td>
<td>Codification Improvements to Topic 842, Leases</td>
<td>Entities that have not yet adopted ASC 842: Effective upon adoption of the amendments in ASU 2016-02. Entities that have adopted ASC 842: Effective upon issuance (18 July 2018).</td>
</tr>
<tr>
<td>ASU 2018-07</td>
<td>Compensation – Stock Compensation (Topic 718), Improvements to Nonemployee Share-Based Payment Accounting</td>
<td>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.</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>
</tbody>
</table>
## Effective after 2019 for nonpublic entity year-end entities

<table>
<thead>
<tr>
<th>ASU</th>
<th>Description</th>
<th>Effective Dates</th>
</tr>
</thead>
<tbody>
<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 2020, and interim periods within fiscal years beginning after 15 December 2021.10</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>
<td>Amendments in Part I: Effective for fiscal years beginning after 15 December 2019, and interim periods within fiscal years beginning after 15 December 2020. 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 beginning after 15 December 2019, and interim periods within fiscal years beginning after 15 December 2020.</td>
</tr>
<tr>
<td>ASU 2017-04</td>
<td>Intangibles – Goodwill and Other (Topic 350), Simplifying the Test for Goodwill Impairment</td>
<td>Effective for annual and any interim impairment tests performed for periods beginning after 15 December 2022.5</td>
</tr>
<tr>
<td>ASU 2016-13</td>
<td>Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments</td>
<td>Effective for fiscal years beginning after 15 December 2022, including interim periods within those fiscal years.6 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 2020, and interim periods within fiscal years beginning after 15 December 2021.9</td>
</tr>
</tbody>
</table>

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10 ASU 2019-10 deferred the effective date for its new standard on hedging for entities that are not 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>Solicitations of Interest Prior to a Registered Public Offering</td>
<td>3 December 2019.</td>
</tr>
<tr>
<td>Exchange-Traded Funds</td>
<td>Effective 23 December 2019, but there will be a one-year transition period for compliance with the form amendments.</td>
</tr>
<tr>
<td>Auditor Independence With Respect to Certain Loans or Debtor-Creditor Relationships</td>
<td>3 October 2019.</td>
</tr>
<tr>
<td>FAST Act Modernization and Simplification of Regulation S-K</td>
<td>The provisions related to the redaction of confidential information in exhibits are effective 2 April 2019, and the provisions requiring XBRL data tagging of all information on the cover pages of specified forms are subject to a three-year phase-in, depending on the registrant’s filing status. All other provisions are effective 2 May 2019.</td>
</tr>
<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>31 January 2019.</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 are required to comply with the liquidity risk management program requirements starting 1 June 2019, while those with less than $1 billion in net assets have to do so starting 1 December 2019.</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>Title</td>
<td>Effective date</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Investment Companies Reporting Modernization</td>
<td>The amendments to Regulation S-X are effective for periods ending on or after 1 August 2017. The compliance date for Form N-CEN is 1 June 2018. The compliance date for Form N-PORT was delayed to 1 March 2019 for larger fund complexes and 1 March 2020 for smaller fund complexes. Funds must 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. Larger fund complexes (i.e., those with $1 billion or more in net assets) with fiscal quarters ending 31 March 2019 are required to file their first report on Form N-PORT by 30 May 2019. Consistent with the delayed compliance date of 1 March 2019, those funds only file a report for the final month of the quarter (i.e., March 2019). Funds with fiscal quarters ending 30 April 2019 file reports on Form N-PORT for the final two months of the quarter (i.e., March and April 2019) by 1 July 2019, while funds with fiscal quarters ending 31 May 2019 file reports on Form N-PORT for all months in the quarter by 30 July 2019.</td>
</tr>
<tr>
<td>Investment Company Swing Pricing</td>
<td>19 November 2018.</td>
</tr>
</tbody>
</table>
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.</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.</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>
</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. 138, Amendments to the Description of the Concept of Materiality</td>
<td>Effective for audits of financial statements for periods ending on or after 15 December 2020.</td>
</tr>
<tr>
<td>SAS No. 137, The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports</td>
<td>Effective for audits of financial statements for periods ending on or after 15 December 2020. Early implementation is not permitted.</td>
</tr>
<tr>
<td>SAS No. 136, Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA</td>
<td>Effective for audits of ERISA plan financial statements for periods ending on or after 15 December 2020. Early implementation is not permitted.</td>
</tr>
<tr>
<td>SAS No. 134, Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements</td>
<td>Effective for audits of financial statements for periods ending on or after 15 December 2020. Early implementation is not permitted.</td>
</tr>
<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>SSAE No. 20, Amendments to the Description of the Concept of Materiality</td>
<td>Effective for practitioners’ examination or review reports dated on or after 15 December 2020.</td>
</tr>
<tr>
<td>SSAE No. 19, Agreed-Upon Procedures Engagements</td>
<td>Effective for practitioners’ AUP reports dated on or after 15 July 2021.</td>
</tr>
<tr>
<td>SSAE No. 18, Attestation Standards: Clarification and Recodification</td>
<td>Effective for practitioners’ reports dated on or after 1 May 2017.</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>
<tr>
<td>Title</td>
<td>Effective date</td>
</tr>
<tr>
<td>------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Statement No. 91, Conduit Debt Obligations</td>
<td>Effective for reporting periods beginning after 15 December 2020. Earlier</td>
</tr>
<tr>
<td>Statement No. 90, Majority Equity Interests, an amendment of</td>
<td>application is encouraged.</td>
</tr>
<tr>
<td>GASB Statements No. 14 and No. 61</td>
<td></td>
</tr>
<tr>
<td>Statement No. 89, Accounting for Interest Cost Incurred before</td>
<td>Effective for reporting periods beginning after 15 December 2019. Earlier</td>
</tr>
<tr>
<td>the End of a Construction Period</td>
<td>application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 88, Certain Disclosures Related to Debt,</td>
<td>Effective for reporting periods beginning after 15 June 2018. Earlier</td>
</tr>
<tr>
<td>Including Direct Borrowings and Direct Placements</td>
<td>application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 87, Leases</td>
<td>Effective for reporting periods beginning after 15 December 2019. Earlier</td>
</tr>
<tr>
<td>Statement No. 86, Certain Debt Extinguishment Issues</td>
<td>application is encouraged.</td>
</tr>
<tr>
<td>Statement No. 85, Omnibus 2017</td>
<td>Effective for reporting periods beginning after 15 June 2017. Earlier</td>
</tr>
<tr>
<td>Statement No. 84, Fiduciary Activities</td>
<td>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</td>
</tr>
<tr>
<td>Statement No. 75, Accounting and Financial Reporting for</td>
<td>application is encouraged.</td>
</tr>
<tr>
<td>Postemployment Benefits Other Than Pensions</td>
<td>Effective for fiscal years beginning after 15 June 2017. Earlier application</td>
</tr>
<tr>
<td></td>
<td>is encouraged.</td>
</tr>
</tbody>
</table>
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