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Accounting Roundup

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In This Issue

Welcome to the 2015 edition of *Accounting Roundup: Year in Review*. In 2015, the FASB made significant progress on its simplification initiative (i.e., the Board's efforts to reduce the cost and complexity of U.S. GAAP). In addition to eliminating the concept of extraordinary items from U.S. GAAP, the Board released ASUs that streamline:

- The balance sheet classification of deferred taxes.
- The accounting for measurement-period adjustments.
- The measurement of inventory.
- Customers' accounting for cloud computing costs.
- Retirement benefit plan measurement.
- The accounting for debt issuance costs.

The FASB also issued ASUs that (1) significantly change the consolidation analysis required under U.S. GAAP and (2) expand the disclosures insurance entities must provide about short-duration insurance contracts. Further, the Board released several ASUs in response to consensuses reached by the EITF — namely, on (1) applying the NPNS scope exception to certain electricity contracts within nodal energy markets, (2) disclosures for investments in certain entities that calculate net asset value per share, (3) effects on earnings per unit of master limited partnership dropdown transactions, and (4) the accounting for employee benefit plans.

The FASB's and IASB's May 2014 revenue standard (issued as ASU 2014-09 by the FASB and IFRS 15 by the IASB) also continued to be a major focus. In addition to their ongoing efforts to address issues associated with the implementation of the new guidance, the boards each released amendments that defer the effective dates of the new standards by one year.

In other news, the FAF recently completed its three-year assessment of the PCC and released a document outlining the revisions it is making to the PCC's responsibilities and operating procedures. Meanwhile, the SEC's conflict minerals rule continued to grab headlines. In August 2015, the U.S. Court of Appeals for the District of Columbia Circuit (the "Appellate Court") upheld its April 2014 ruling that parts of the rule and of Section 1502 of the Dodd-Frank Act violate the First Amendment to the extent that they require issuers to disclose that their products have "not been found to be 'DRC conflict free.'" Other significant SEC developments included its publication of final rules on crowdfunding and pay ratio disclosures.

The AICPA held its annual Conference on Current SEC and PCAOB Developments in early December. During the conference, representatives from the SEC, PCAOB, FASB, IASB, and other organizations provided updates on new developments, regulations, and current priorities. For more information about the conference, see Deloitte's December 15, 2015, *Heads Up*.

Accounting Roundup: Year in Review — 2015 covers final guidance released during 2015 that could affect reporting and disclosures for the coming reporting season. With the exception of documents issued in December, proposed guidance, such as exposure drafts (EDs) and invitations to comment, is not addressed. Please see our 2015 monthly and quarterly issues of *Accounting Roundup* for more information about these documents. Note that an asterisk in the article title denotes events that occurred in December or that were not addressed in previous 2015 issues of *Accounting Roundup*, including updates to previously reported topics. Events without asterisks were covered in those previous issues.

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We hope that *Accounting Roundup: Year in Review — 2015* will be helpful to you this financial reporting season. As always, we welcome your feedback. Please send questions and comments to accountingstandards@deloitte.com.

Accounting — New Standards and Exposure Drafts

In This Section

Consolidation

FASB Amends Its Consolidation Model

Affects: All entities.

Summary: On February 18, 2015, the FASB issued ASU 2015-02, which amends the consolidation requirements in ASC 810 and significantly changes the consolidation analysis required under U.S. GAAP. The amendments include the following:

- Limited partnerships will be variable interest entities (VIEs), unless the limited partners have either substantive kick-out or participating rights. Although more partnerships will be VIEs, it is less likely that a general partner will consolidate a limited partnership.
- The ASU changes the effect that fees paid to a decision maker or service provider have on the consolidation analysis. Specifically, it is less likely that the fees themselves will be considered a variable interest, that an entity will be a VIE, or that consolidation will result.
- The ASU significantly amends how variable interests held by a reporting entity's related parties or de facto agents affect its consolidation conclusion. Specifically, the ASU will result in less frequent performance of the related-party tiebreaker test (and mandatory consolidation by one of the related parties) than under current U.S. GAAP.
- For entities other than limited partnerships, the ASU clarifies how to determine whether the equity holders (as a group) have power over the entity (this will most likely result in a change to current practice). The clarification could affect whether the entity is a VIE.
- The deferral of ASU 2009-17 for investments in certain investment funds has been eliminated. Therefore, investment managers, general partners, and investors in these investment funds will need to perform a drastically different consolidation evaluation.

Editor's Note: Although the ASU is expected to result in the deconsolidation of many entities, reporting entities will need to reevaluate all their previous consolidation conclusions.

Next Steps: For public business entities, the guidance in the ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. For entities other than public business entities, the guidance is effective for annual periods beginning after December 15, 2016, and interim periods beginning after December 15, 2017. Early adoption is allowed for all entities (including during an interim period), but the guidance must be applied as of the beginning of the annual period containing the adoption date.

Other Resources: Deloitte's May 26, 2015, *Heads Up* and *Consolidation — a Roadmap to Identifying a Controlling Financial Interest*.

EITF-Related Activity

FASB Issues ASU on Applying the NPNS Scope Exception to Certain Electricity Contracts Within Nodal Energy Markets

Affects: Entities with electricity contracts that meet certain criteria.

Summary: On August 10, 2015, the FASB issued ASU 2015-13 in response to an EITF final consensus. The ASU amends ASC 815 to clarify the application of the normal purchases and normal sales (NPNS) scope exception to purchases or sales of electricity on a forward basis that are transmitted through, or delivered to a location within, a nodal energy market. For a derivative contract to be classified as

NPNS, the contract cannot settle net and must result in physical delivery. Under ASU 2015-13, a forward contract to purchase or sell — at a specified location — electricity that must be transmitted through or delivered to a grid operated by an independent system operator may qualify for the NPNS scope exception.

Next Steps: ASU 2015-13 became effective upon issuance and must be applied prospectively.

Other Resources: Deloitte's June 2015 *EITF Snapshot*.

FASB Issues ASUs on NAV Disclosures and MLP Dropdown Transactions

Affects: All entities.

Summary: On April 30 and May 1, 2015, the FASB issued the following two ASUs in response to EITF consensuses reached at the Task Force's March 19, 2015, meeting:

- *ASU 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* — This ASU removes, from the fair value hierarchy, investments for which the practical expedient (as discussed in ASC 820-10-35-59 through 35-62) is used to measure fair value at NAV. Instead, an entity is required to include those investments as a reconciling line item so that the total fair value amount of investments in the disclosure is consistent with the amount on the balance sheet. Further, entities must provide the disclosures in ASC 820-10-50-6A only for investments for which they elect to use the NAV practical expedient to determine fair value. For public companies, this ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The effective date is deferred by one year for private companies. Early adoption is permitted. The ASU should be applied retrospectively to all periods presented.
- *ASU 2015-06, Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions* — Under this ASU, "the earnings (losses) of the transferred net assets before the date of the dropdown transaction should be allocated entirely to the general partner." Further, an MLP must disclose "how the rights to the earnings (losses) of the transferred net assets differ before and after the dropdown transaction occurs for purposes of computing earnings per unit." This ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. Early adoption is permitted. The ASU should be applied retrospectively to all financial statements presented.

Other Resources: Deloitte's March 2015 *EITF Snapshot*.

FASB Issues ASU on Employee Benefit Plans

Affects: Employee benefit plans.

Summary: On July 31, 2015, the FASB issued ASU 2015-12, a three-part standard that provides guidance on certain aspects of the accounting by employee benefit plans. The ASU, which is being released in response to consensuses reached at the EITF's June 18, 2015, meeting, (1) requires a pension plan to use contract value as the only measure for fully benefit-responsive investment contracts, (2) simplifies and increases the effectiveness of the investment disclosure requirements for employee benefit plans, and (3) provides benefit plans with a measurement-date practical expedient similar to the practical expedient provided to employers in ASU 2015-04.

Next Steps: The amendments in all three parts of this ASU are effective for fiscal years beginning after December 15, 2015; early adoption is permitted. An entity should apply the amendments in parts I and II retrospectively to all financial statements presented, while the amendments in part III should be applied prospectively.

Other Resources: Deloitte's August 14, 2015, *Heads Up* and June 2015 *EITF Snapshot*.

Insurance Contracts

FASB Issues ASU on Disclosures About Short-Duration Insurance Contracts

Affects: Insurance entities.

Summary: On May 21, 2015, the FASB issued ASU 2015-09, which amends ASC 944 to expand the disclosures that an insurance entity must provide about its short-duration insurance contracts. Under the ASU, insurance entities with short-duration insurance contracts must annually provide the following disclosures:

- "Incurred and paid claims [and allocated claim adjustment expenses (CAEs)] development information by accident year, on a net basis after risk mitigation through reinsurance, for the number of years for which claims incurred typically remain outstanding (that need not exceed 10 years, including the most recent reporting period presented in the statement of financial position). Each period presented in the disclosure about claims development that precedes the current reporting period is considered to be supplementary information." For the most recent reporting period presented, an insurer also must disclose the total net outstanding claims for all accident years before those presented in the claims development tables (i.e., collectively, for those accident years not separately presented in the development tables).
- A reconciliation of the claims development disclosures "to the aggregate carrying amount of the liability for unpaid claims and [CAEs] for the most recent reporting period presented, with separate disclosure of reinsurance recoverable on unpaid claims."
- For each accident year presented in the claims development table, information about (1) claim frequency (unless impracticable) and (2) the amounts of incurred-but-not-reported (IBNR) liabilities plus the expected development on reported claims.
- A description of, and any significant changes to, the methods for determining (1) both IBNR and expected development on reported claims and (2) cumulative claim frequency.
- For all claims except health insurance claims, the historical average annual percentage payout of incurred claims by age, net of reinsurance, for accident years presented in the claims development tables.
- Information about any significant changes in methods and assumptions used in the computation of the liability for unpaid claims and CAEs, including reasons for the changes and the impact of the changes on the most recent reporting period in the financial statements.
- The carrying amounts of liabilities for unpaid claims and CAEs that are presented at present value and the effects of the discounting, including (1) the aggregate discount deducted from the liabilities, (2) the amount of interest accretion recognized during each period, and (3) the line item(s) in the statement of comprehensive income in which the interest accretion is classified.

In addition, insurance entities must disclose the following in both interim and annual periods:

- The rollforward of the liability for unpaid claims and CAEs.
- Total IBNR liabilities, plus expected development on reported claims, included in the liability for unpaid claims and CAEs for health insurance claims, either as a separate disclosure or as a component of the disclosure of the rollforward of the liability, at an appropriate level of disaggregation.

Editor's Note: Although the information to be provided in the development tables under the ASU is similar to the information required under existing SEC rules, insurers that adopt the ASU still must comply with the SEC's disclosure requirements. It is unclear whether the SEC or its staff has any plans to revisit those requirements.

Next Steps: The ASU is effective for public business entities for annual periods beginning after December 15, 2015, and interim periods within annual reporting periods beginning after December 15, 2016. The effective date is deferred by one year for all other entities. Early application is permitted.

Other Resources: For more information, see the press release on the FASB's Web site. Also see Deloitte's May 2015 *Insurance Spotlight*.

Pushdown Accounting

FASB Issues ASU to Conform Guidance on Pushdown Accounting to SAB 115

Affects: All entities.

Summary: On May 11, 2015, the FASB issued ASU 2015-08, which removes references to the SEC's SAB Topic 5.J on pushdown accounting from ASC 805-50. The Commission's SAB 115 had superseded the guidance in SAB Topic 5.J in connection with the FASB's November 2014 release of ASU 2014-17. The amendments in ASU 2015-08 therefore conform the FASB's guidance on pushdown accounting with the SEC's.

Revenue Recognition

FASB and IASB Defer Effective Dates of New Revenue Standards

Affects: All entities.

Summary: On August 12, 2015, the FASB issued ASU 2015-14, which defers the effective date of the Board's revenue standard, ASU 2014-09, by one year for all entities and permits early adoption on a limited basis. Specifically:

- For public business entities, the standard is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early adoption is permitted as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within those annual periods.
- For nonpublic entities, the standard is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Nonpublic entities can also elect to early adopt the standard as of the following:
    - Annual reporting periods beginning after December 15, 2016, including interim periods.
    - Annual reporting periods beginning after December 15, 2016, and interim periods within annual reporting periods beginning one year after the annual reporting period in which the new standard is initially applied.

Editor's Note: The FASB is continuing to address issues associated with the implementation of the new revenue standard. It has active standard-setting projects to provide certain practical expedients and clarify the guidance on issues such as the identification of performance obligations, the accounting for a license of intellectual property, and principal-versus-agent considerations. Appendix B provides an overview of the current status of these projects.

Further, on September 11, 2015, the IASB issued amendments that defer by one year the effective date of its counterpart revenue standard, IFRS 15. The new effective date coincides with the effective date of the proposed amendments in the IASB's July 2015 ED (i.e., annual periods beginning on or after January 1, 2018). Early adoption of IFRS 15 continues to be permitted, and entities still have the option of applying the standard retrospectively either to each prior reporting period presented or with the cumulative effect of initial application recognized as of the adoption date.

Other Resources: For more information, see the August 12 and September 11 press releases on the FASB's and IASB's Web sites, respectively. Also see Deloitte's *Revenue From Contracts With Customers: A Roadmap to Applying the Guidance in ASU 2014-09*.

Simplification Initiative

FASB Issues ASU Simplifying Balance Sheet Classification of Deferred Taxes

Affects: All entities.

Summary: On November 20, 2015, the FASB issued ASU 2015-17 as part of its simplification initiative (i.e., the Board's effort to reduce the cost and complexity of certain aspects of U.S. GAAP). The ASU requires entities to present deferred tax assets (DTAs) and deferred tax liabilities (DTLs) as noncurrent in a classified balance sheet. It thus simplifies the current guidance, which requires entities to separately present DTAs and DTLs as current or noncurrent in a classified balance sheet. Netting of DTAs and DTLs by tax jurisdiction is still required under the new guidance.

> **Editor's Note:** The ASU is aligned with the current guidance in IAS 12, which requires entities to present DTAs and DTLs as noncurrent in a classified balance sheet.

Next Steps: For public business entities, the ASU is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the ASU is effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for all entities.

Other Resources: Deloitte's November 30, 2015, *Heads Up*. Also see the press release on the FASB's Web site.

FASB Issues ASU Simplifying Measurement-Period Adjustments

Affects: All entities.

Summary: On September 25, 2015, the FASB issued ASU 2015-16 to simplify the accounting for measurement-period adjustments. The ASU, which is part of the FASB's simplification initiative, was issued in response to stakeholder feedback that restatements of prior periods to reflect adjustments made to provisional amounts recognized in a business combination increase the cost and complexity of financial reporting but do not significantly improve the usefulness of the information.

> **Editor's Note:** Previously, the accounting for measurement-period adjustments under U.S. GAAP was aligned with that under IFRSs. However, because of differences in reporting requirements (i.e., quarterly reporting requirements for U.S. publicly traded entities as opposed to semiannual reporting in certain other jurisdictions), the need to revise previously issued financial statements to retrospectively account for adjustments to provisional amounts during the measurement period is most likely not as prevalent under IFRSs.

Under the ASU, an acquirer must recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The ASU also requires acquirers to present separately on the face of the income statement, or disclose in the notes, the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date.

Next Steps: For public business entities, the ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The ASU must be applied prospectively to adjustments to provisional amounts that occur after the effective date. Early adoption is permitted for financial statements that have not been issued.

Other Resources: Deloitte's September 30, 2015, *Heads Up*.

FASB Issues ASU on Simplifying the Measurement of Inventory

Affects: All entities.

Summary: On July 22, 2015, the FASB issued ASU 2015-11, which requires entities to measure most inventory "at the lower of cost and net realizable value," thereby simplifying the current guidance under which an entity must measure inventory at the lower of cost or market (market in this context is defined as one of three different measures, one of which is net realizable value). The ASU does not apply to inventories that are measured by using either the last-in, first-out method or the retail inventory method.

> **Editor's Note:** In addition to reducing complexity, the ASU makes U.S. GAAP more comparable to IFRSs, under which inventory must be measured at the lower of cost or net realizable value.

Next Steps: For public business entities, the ASU is effective prospectively for annual periods beginning after December 15, 2016, and interim periods therein. For all other entities, the ASU is effective prospectively for annual periods beginning after December 15, 2016, and interim periods thereafter. Early adoption is permitted.

Other Resources: Deloitte's July 24, 2015, *Heads Up*.

FASB Issues ASU on Customers' Accounting for Cloud Computing Costs

Affects: All entities.

Summary: On April 15, 2015, the FASB issued ASU 2015-05, which provides guidance on a customer's accounting for cloud computing costs. The ASU, which is part of the Board's simplification initiative, is being issued in response to feedback indicating that the lack of specific guidance on accounting for cloud computing fees had "resulted in some diversity in practice as well as unnecessary costs and complexity for some stakeholders."

Under the ASU, a customer must determine whether a cloud computing arrangement contains a software license. If so, the customer would account for the fees related to the software license element in a manner consistent with how the acquisition of other software licenses is accounted for under ASC 350-40. If the arrangement does not contain a software license, the customer would account for the arrangement as a service contract. The ASU does not prescribe how to account for cloud computing arrangements deemed to be service contracts.

An arrangement would contain a software license element if both of the following criteria are met:

- "The customer has the contractual right to take possession of the software at any time during the hosting period **without significant penalty**" (emphasis added).
- "It is feasible for the customer to either run the software on its own hardware or contract with another party unrelated to the vendor to host the software."

Editor's Note: Under the ASU, a customer performs the same assessment that cloud computing vendors currently perform to determine whether an arrangement includes the sale of a software license that is subject to the software revenue recognition requirements of ASC 985-605. The Board acknowledged that these criteria are already applied and understood in current practice; accordingly, it intentionally aligned the customer's assessment of whether the arrangement contains a software license with that performed by the vendor. The ASU's Basis for Conclusions further states that the ASU is not intended to change U.S. GAAP for cloud computing vendors.

Next Steps: For public business entities, the ASU is effective for annual periods (and interim periods therein) beginning after December 15, 2015; for all other entities, the ASU is effective for annual periods beginning after December 15, 2015, and interim periods in annual periods beginning after December 15, 2016. Early adoption is permitted. Entities may adopt the guidance (1) retrospectively or (2) prospectively to arrangements entered into, or materially modified, after the effective date.

Other Resources: Deloitte's April 17, 2015, *Heads Up*.

FASB Permits Use of Practical Expedient for Retirement Benefit Plan Measurement

Affects: All entities.

Summary: On April 15, 2015, the FASB issued ASU 2015-04, which gives an employer whose fiscal year-end does not coincide with a calendar month-end (e.g., an entity that has a 52- or 53-week fiscal year) the ability, as a practical expedient, to measure defined benefit retirement obligations and related plan assets as of the month-end that is closest to its fiscal year-end. If elected, the practical expedient would be an accounting policy that the employer would need to apply consistently to all plans. The employer would also be required to disclose the policy election as well as the resulting alternative measurement date used for its year-end measurement of retirement benefit obligations and plan assets.

The ASU also provides guidance on accounting for (1) contributions to the plan and (2) significant events for which remeasurement is required (e.g., a plan amendment, settlement, or curtailment) and that occur during the period between a month-end measurement date and the employer's fiscal year-end. An entity should reflect the effects of those contributions or significant events in the measurement of the retirement benefit obligations and related plan assets.

Editor's Note: In practice, some employers with fiscal year-ends that do not coincide with a month-end have nevertheless used measurements of the fair value of plan assets as of the nearest month-end as a reasonable approximation of the fiscal-year-end asset values. In such situations, the employer has needed to support its assertion that those amounts were "reasonably expected not to be materially different from the results of a more precise measurement as of the fiscal-year-end measurement date. The practical expedient removes the requirement for the employer to perform this analysis in support of the reasonableness of its month-end fair value measurement.

Next Steps: For public business entities, the ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the ASU is effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted, and the ASU should be applied prospectively.

Other Resources: Deloitte's April 17, 2015, *Heads Up*.

FASB Simplifies Guidance on Debt Issuance Costs

Affects: All entities.

Summary: On April 7, 2015, the FASB issued ASU 2015-03 as part of its simplification initiative. The ASU changes the presentation of debt issuance costs in financial statements. Under current guidance (i.e., ASC 835-30-45-3 before the ASU), an entity reports debt issuance costs in the balance sheet as deferred charges (i.e., as an asset). Under the ASU, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense.

Further, on August 16, 2015, the FASB issued ASU 2015-15 to clarify the SEC staff's position on presenting and measuring debt issuance costs incurred in connection with line-of-credit arrangements given the lack of guidance on this topic in ASU 2015-03. The SEC staff has announced that it would "not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement."

Editor's Note: Under ASU 2015-03, an entity presents debt issuance costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. However, ASU 2015-03 does not address the balance sheet presentation of debt issuance costs that are either (1) incurred before a debt liability is recognized (e.g., before the debt proceeds are received) or (2) associated with revolving-debt arrangements. Given implementation questions associated with application of the ASU's presentation approach to revolving-debt arrangements, as well as questions about the acceptability of such application, we expect that many, if not most, entities will elect to apply the accounting policy outlined by the SEC staff in ASU 2015-15 to such arrangements.

Next Steps: For public business entities, the guidance in ASU 2015-03 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For entities other than public business entities, the guidance is effective for fiscal years beginning after December 15, 2015, and interim periods beginning after December 15, 2016. Early adoption is allowed for all entities for financial statements that have not been previously issued. Entities should apply the new guidance retrospectively to all prior periods (i.e., the balance sheet for each period should be adjusted).

Other Resources: Deloitte's June 18, 2015, *Heads Up* (which supersedes the April 7, 2015, *Heads Up*).

FASB Issues ASU on Extraordinary Items

Affects: All entities.

Summary: On January 9, 2015, the FASB issued ASU 2015-01 as part of its simplification initiative. The ASU eliminates from U.S. GAAP the concept of an extraordinary item, which is an event or transaction that is both (1) unusual in nature and (2) infrequently occurring. Under the ASU, an entity will no longer (1) segregate an extraordinary item from the results of ordinary operations; (2) separately present an extraordinary item on its income statement, net of tax, after income from continuing operations; or (3) disclose income taxes and earnings-per-share data applicable to an extraordinary item.

Next Steps: The ASU is effective for annual periods beginning after December 15, 2015, and interim periods within those annual periods. Entities may apply the guidance prospectively or retrospectively to all prior periods presented in the financial statements. Early adoption is permitted if the guidance is applied as of the beginning of the annual period of adoption.

Other Resources: Deloitte's January 12, 2015, *Heads Up*.

Technical Corrections

FASB Makes Technical Corrections to the Codification

Affects: All entities.

Summary: On June 15, 2015, the FASB issued ASU 2015-10, which makes certain technical corrections (i.e., minor clarifications and improvements) to the *FASB Accounting Standards Codification*. The technical corrections are divided into four main categories:

- Amendments to align Codification wording with that in pre-Codification standards.
- Corrections to references and clarification of guidance to avoid misapplication and misinterpretation.
- Minor edits to simplify the Codification and thereby improve its usefulness.
- Minor enhancements to Codification guidance that are not expected to have a significant effect on current practice.

Next Steps: The amendments to transition guidance are effective for fiscal years beginning after December 15, 2015; all other changes became effective upon the ASU's issuance.

International

IASB Defers Effective Date of September 2014 Amendments to IFRS 10 and IAS 28*

Affects: Entities reporting under IFRSs.

Summary: On December 17, 2015, the IASB issued amendments that indefinitely defer the effective date of its September 2014 amendments to IFRS 10 (on consolidated financial statements) and IAS 28 (on investments in associates and joint ventures), which address how an entity determines any gain or loss related to transactions with an associate or joint venture. The IASB plans to redeliberate the effective date of the September 2014 amendments after it has completed its research project on the equity method.

Next Steps: Early adoption of the September 2014 amendments continues to be permitted.

Other Resources: For more information, see the press release on the IASB's Web site.

IASB Proposes Amendments to Address Concerns About the Different Effective Dates of IFRS 9 and the New Insurance Contracts Standard*

Affects: Entities reporting under IFRSs.

Summary: On December 9, 2015, the IASB issued an ED that would amend IFRS 4 to address concerns about the different effective dates of IFRS 9 (on financial instruments) and the IASB's forthcoming insurance contracts standard. The amendments would provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- *Overlay approach* — Entities would be permitted "to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets."
- *Deferral approach* — Entities "whose predominant activity is issuing contracts within the scope of IFRS 4" would be able to employ "an optional temporary exemption from applying IFRS 9."

Next Steps: Comments on the ED are due by February 8, 2016.

Other Resources: For more information, see the press release and *Snapshot* document on the IASB's Web site.

IASB Amends *IFRS for SMEs*

Affects: Entities reporting under IFRSs.

Summary: On May 21, 2015, the IASB published amendments to its *IFRS for SMEs*. The amendments are the result of the first comprehensive review of that standard, which was originally issued in 2009. Most of the changes are minor clarifications and do not affect the accounting for transactions and events. The following are three of the more significant amendments:

- An entity is permitted to use the revaluation model for property, plant, and equipment.
- The main recognition and measurement requirements for deferred income taxes are aligned with the current requirements in IAS 12.
- The main recognition and measurement requirements for exploration and evaluation assets are aligned with those in IFRS 6; thus, the *IFRS for SMEs* provides the same relief as full IFRSs do for these activities.

Next Steps: The amendments are effective for annual periods beginning on or after January 1, 2017; early adoption is permitted.

Other Resources: For more information, see the press release and project summary and feedback statement on the IASB's Web site.

Accounting — Other Key Developments

In This Section

FAF

FAF Concludes Post-Implementation Review of Statement 160

Affects: All entities.

Summary: On May 20, 2015, the FAF issued a PIR report on Statement 160 (codified in ASC 810), which was released in 2007 and provided guidance on noncontrolling interests in consolidated financial statements. The report concludes that Statement 160 is generally useful to investors and fulfills its purpose. For example, the Statement:

- Eliminates "the diversity associated with reporting noncontrolling interests in the financial statements."
- Increases "the relevance of reported financial information on noncontrolling interests."
- Converges the guidance on noncontrolling interests with that in IAS 27.

The FAF did not make any major standard-setting recommendations to the FASB after performing the PIR of Statement 160.

Other Resources: For more information, see the press release and FASB response letter on the FAF's Web site.

Leases

FASB and IASB Complete Lease Redeliberations

Affects: All entities.

Summary: At its November 11, 2015, meeting, the FASB finished redeliberations related to its upcoming leases standard. The Board tentatively decided that the new leases standard would be effective for public business entities for annual periods beginning after December 15, 2018 (i.e., calendar periods beginning on January 1, 2019), and interim periods therein. For all other entities, the standard would be effective for annual periods beginning after December 15, 2019 (i.e., calendar periods beginning on January 1, 2020), and interim periods thereafter. Early adoption would be permitted for all entities. Further, an entity's ability to early adopt the leases standard would not be linked to its adoption of any of the FASB's other standards.

The FASB also tentatively decided to exempt leases that begin near the end of the underlying asset's economic life from the finance lease classification criterion under which the lease term must be for the major part of the remaining economic life of the underlying asset.

> **Editor's Note:** The FASB received feedback indicating that the absence of such an exception could cause leases to be classified as finance leases if they (1) begin near the end of an asset's useful life and (2) otherwise would be classified as operating leases.

Further, at its October 20, 2015, meeting, the IASB discussed the effective date of its upcoming leases standard and whether to permit early adoption. The IASB tentatively decided that (1) the new leases standard, once issued, would be effective for annual periods beginning after January 1, 2019, and (2) early adoption would be permitted provided that an entity does not adopt the leases standard before adopting the revenue guidance in IFRS 15.

The Board also discussed the feedback received on its confidential external review (i.e., "fatal flaw") draft of the final leases standard. Specifically, the IASB staff discussed feedback related to (1) lease modifications, (2) reassessment of the discount rate for floating interest rate leases, (3) accounting for costs associated with returning an asset at the end of the lease, and (4) accounting for short-term leases and low-value assets in a business combination. Further, the IASB discussed disclosure requirements for leases within the scope of IFRS 5.

Next Steps: The FASB has directed its staff to finish drafting a final ASU for a vote by written ballot. The final standard is expected to be issued in early 2016. The IASB staff is also in the final stages of drafting its final leases standard, which is expected to be issued within the next three months.

Other Resources: Deloitte's November 12, 2015, journal entry. Also see the "Leases Project Update" on the IASB's Web site.

Private Companies

FAF Completes Review of PCC

Affects: Private companies.

Summary: On November 18, 2015, the FAF released (1) a final report on its three-year assessment of the PCC and (2) a document outlining the revisions it is making to the PCC's responsibilities and operating procedures. The primary focus of the amendments is on how the PCC provides the FASB with "private company perspectives on the FASB's active agenda projects, and on how the PCC communicates those perspectives to its stakeholders." Specifically, the amendments would:

- Enable the PCC to continue to propose private-company alternatives.
- Make the PCC's advisory role more effective.
- Create a technical agenda consultation group that discusses "whether it is more efficient and effective for the PCC or the FASB to take the lead on a potential project and add the project to its technical agenda."
- Allow the PCC to retain its current size and composition.
- Transition the PCC's oversight responsibilities from the Private Company Review Committee to the Standard-Setting Process Oversight Committee.

Next Steps: The amendments to the PCC's responsibilities and operating procedures will become effective on January 1, 2016.

Other Resources: For more information, see the press release on the FAF's Web site.

CFA Institute Publishes Report on Investors' Perspectives Regarding Efforts to Reduce Cost and Complexity of Private-Company Reporting

Affects: All entities.

Summary: In May 2015, the CFA Institute published a report on a survey that sought investors' feedback on the ongoing attempts of standard setters to reduce financial reporting complexity and compliance costs for private companies (e.g., the FASB's standards released in conjunction with the PCC, the IASB's *IFRS for SMEs*). The report reveals that most of the investors surveyed appear to believe that such efforts will ultimately decrease comparability and result in an overall decline in decision-useful information. Commenting on the findings, Mohini Singh, the author of the report and director of financial reporting policy at the CFA Institute, points out that "[i]nvestors do not want separate private company reporting [but] believe that the issue of financial reporting complexity should be addressed for all types of companies."

Other Resources: For more information, see a summary of the report in the *CFA Institute Magazine* and an article about the report on the CFA Institute's Web site.

SASB

SASB Issues Implementation Guide on Using Its Standards

Affects: Entities within the scope of SASB standards.

Summary: On December 1, 2015, the SASB released an implementation guide "for issuers who are in the process of integrating SASB standards into their existing [Form] 10-K or 20-F disclosure processes." Specifically, the guide "provides structure and key considerations for companies seeking to implement sustainability accounting standards within their existing business functions and processes."

SASB Issues Provisional Standards

Affects: Industries within the scope of the standards.

Summary: In 2015, the SASB issued provisional standards for the renewable resources and alternative energy sector and the resource transformation sector as well as two sets of provisional standards for the consumption industries. The standards apply to the following industries:

- *Renewable resources and alternative energy* — Biofuels; solar energy; wind energy; fuel cells and industrial batteries; forestry and logging; pulp and paper products.
- *Resource transformation* — Aerospace and defense; chemicals; containers and packaging; electrical and electronic equipment; and industrial machinery and goods.
- *Consumption I* — Agricultural products; meat, poultry, and dairy; processed foods; nonalcoholic beverages; alcoholic beverages; tobacco; household and personal products.
- *Consumption II* — Apparel, accessories, and footwear; appliance manufacturing; building products and furnishings; drug retailers and convenience stores; e-commerce; food retailers and distributors; multiline and specialty retailers and distributors; and toys and sporting goods.

The standards are part of a planned series of industry-related SASB standards on accounting for ESG issues that could be material to a corporation's performance. The standards focus on material sustainability matters that corporations are already required to disclose in their Form 10-K or 20-F filings with the SEC.

Other Resources: For more information, see the renewable resources and alternative energy, resource transformation, consumption I, and consumption II industry briefs on the SASB's Web site.

SEC

SEC Staff Discusses Alternatives for Applying Discount Rates to Measure Benefit Cost for Defined Benefit Plans

Affects: All entities.

Summary: The SEC staff has met with representatives of the Big Four accounting firms and expressed its views on applying an alternative approach for using discount rates to measure the components of net periodic benefit cost for a defined benefit retirement plan obligation (e.g., a pension or other postretirement obligation) under ASC 715. Specifically, the alternative approach focuses on measuring the service cost and interest cost components of net periodic benefit cost by using individual spot rates derived from an acceptable high-quality corporate bond yield curve and matched with separate cash flows for each future year. The SEC staff responded to inquiries from the Big Four firms by stating that it would not object to registrants' use of such an approach instead of the single weighted-average discount rate approach that is usually employed. The change in approach would not alter the measurement of the related benefit obligation as of the reporting date. The SEC staff also stated that it would not object if a registrant treats the change in approach as a change in accounting estimate.

Other Resources: Deloitte's September 28, 2015, *Financial Reporting Alert*.

XBRL

FASB Releases 2016 U.S. GAAP Financial Reporting Taxonomy*

Affects: All entities.

Summary: On December 17, 2015, the FASB released the 2016 U.S. GAAP Financial Reporting Taxonomy. The taxonomy "is a list of computer-readable tags in eXtensible Business Reporting Language (XBRL) format that allows companies to tag precisely the thousands of pieces of financial data that are included in typical long-form financial statements and related footnote disclosures." The 2016 version of the taxonomy "contains updates for accounting standards and other improvements to the official Taxonomy previously in use by SEC issuers."

Next Steps: The SEC needs to approve the taxonomy before it becomes official; the Commission is expected to do so in early 2016.

Other Resources: For more information, see the press release and taxonomy page on the FASB's Web site.

FASB Releases Taxonomy Implementation Guides

Affects: All entities.

Summary: In October 2015, the FASB released the following five final 2015 U.S. GAAP Financial Reporting Taxonomy implementation guides:

- *Disposal Groups and Discontinued Operations*.
- *Insurance: Concentration of Credit Risk Disclosures*.
- *Liquidation Basis of Accounting*.
- *Measurement Date Practical Expedient for Defined Benefit Plans*.
- *Segment Reporting*.

The purpose of the guides "is to provide preparers with additional insight and supplemental guidance for utilizing the Taxonomy as they create their XBRL documents."

International

IFRS Foundation Publishes Updates to IFRS Taxonomy 2015*

Affects: Entities reporting under IFRSs.

Summary: On December 1 and 8, 2015, the IFRS Foundation published two updates to the IFRS Taxonomy 2015. The first update incorporates the 2015 amendments to the *IFRS for SMEs*. The second update "contains additional taxonomy concepts that reflect" new IFRSs and IFRS amendments as well as technical updates and corrections. This update applies to entities in the information technology, media, chemicals, and utilities industries.

Other Resources: For more information, see the press release on the IASB's Web site.

IASB Completes Post-Implementation Review of IFRS 3

Affects: Entities reporting under IFRSs.

Summary: On June 17, 2015, the IASB released a PIR report on IFRS 3 on business combinations. The PIR report assessed information gathered from academic literature as well as feedback from (1) investors and other financial statement users and (2) preparers, auditors, and regulators. The review concluded that although there is general support for IFRS 3, views were mixed on certain elements of the standard, including the following:

- Investors:
  - Subsequent accounting for goodwill.
  - Separate recognition of intangible assets.
  - Measurement of noncontrolling interests.
  - Subsequent accounting for contingent consideration.
- Preparers, auditors, and regulators:
  - Definition of a business.
  - Fair value measurement.
  - Impairment test for goodwill.
  - Contingent payments to selling shareholders who become employees.

On the basis of the PIR report, the IASB added to its agenda two research projects that will focus on:

- Effectiveness and complexity of testing goodwill for impairment.
- Subsequent accounting for goodwill.
- Challenges related to applying the definition of a business.
- Identification and fair value measurement of intangible assets such as customer relationships and brand names.

Other Resources: For more information, see the press release and project page on the IASB's Web site.

IFAC and IIRC Issue Guidance on Materiality in Integrated Reports

Affects: Entities preparing integrated reports.

Summary: On November 10, 2015, IFAC and the IIRC released a publication that provides guidance on "materiality, and the corresponding materiality determination process, in the context of integrated reporting" and "outlines expectations for materiality-related disclosures."

IAESB Proposes Minor Enhancements to Standards*

Affects: Professional accountants.

Summary: On December 11, 2015, the IAESB released an ED that would make editorial and other minor changes to its eight IESs, glossary of standards, and *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants*. The revisions principally concern (1) language and terminological changes and (2) changes to improve the consistency and accuracy of IESs.

Next Steps: Comments on the ED are due by March 15, 2016.

Other Resources: For more information, see the press release on IFAC's Web site.

IAESB Requests Comments on Future Strategy and Priorities*

Affects: Professional accountants.

Summary: On December 2, 2015, the IAESB issued a consultation paper that requests comments on what its strategy and priorities should be over the next five years. Specific topics on which the paper seeks feedback include:

- Suggestions for improvements to existing IESs.
- How the professional development requirements in IES 7 could be aligned with other IESs.
- Steps the IAESB could "take to improve professional competence related to the appropriate exercise of professional skepticism and professional judgment."
- Recommendations related to the development of new IESs that would "address emerging matters related to the education of aspiring professional accountants and professional accountants."
- The IAESB's priorities for the period from 2017 to 2021, including publications the Board should consider releasing.

Next Steps: Comments on the consultation paper are due by March 8, 2016.

Other Resources: For more information, see the press release on IFAC's Web site.

IAESB Revises IES Framework

Affects: IFAC member bodies.

Summary: On July 14, 2015, the IAESB released a revised version of its *Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants*. In the words of IAESB Chairman Chris Austin, "Our objective with this Framework is to provide a foundation that improves the understanding and application of the principles and concepts which underlie the newly revised [IESs]."

Other Resources: For more information, see the press release on IFAC's Web site.

IIRC Publishes Paper on Applying the Integrated Reporting Concept of "Capitals" in the Banking Industry

Affects: Entities in the banking industry.

Summary: In August 2015, the IIRC published a paper that analyzes the application of the multicapitals approach — as described in the IIRC's framework for integrated reporting — in the banking industry. Specifically, the paper "provides insights into current practice for banks' reporting on the capitals, outlines leading reporting practice and articulates the value proposition for banks to report on the capitals."

Other Resources: For more information, see the article on Deloitte's IAS Plus Web site.

Auditing Developments

In This Section

AICPA

AICPA Proposes Three SSARSs*

Affects: Auditors.

Summary: On December 8, 2015, the AICPA issued an ED that proposes the following SSARSs for public comment:

- *Compilation of Prospective Financial Information* — Would move the AICPA's guidance on compilations of financial information from its attestation standards to SSARSs.
- *Compilation of Pro Forma Financial Information* — Constitutes a redrafting, for clarity purposes, of AR Section 120.
- *Omnibus Statement on Standards for Accounting and Review Services — 2016* — Would revise certain paragraphs and definitions in the AICPA's clarified standards for accounting and review services.

Next Steps: Comments on the ED are due by May 6, 2016.

AICPA Issues SAS on Audits of Internal Control Over Financial Reporting That Are Integrated With Audits of Financial Statements

Affects: Auditors.

Summary: On October 28, 2015, the AICPA issued SAS 130, which provides guidance on audits of ICFR that are integrated with audits of financial statements. The purpose of the new SAS is to transfer the guidance on this topic — specifically that from AT Section 501 and Attestation Interpretation 1 — from attestation standards to generally accepted auditing standards. In addition, SAS 130 makes certain revisions to the guidance, including the following:

- A requirement for auditors to "examine and report directly on the effectiveness of [ICFR]" and removal of the option to "examine and report on management's assertion about the effectiveness of internal control over financial reporting."
- Changing the term "significant account or disclosure" to "significant class of transactions, account balance, or disclosure."
- Clarification that the risk factors an auditor should use "to evaluate in the identification of significant classes of transactions, account balances, and disclosures and their relevant assertions are the same in the audit of internal control over financial reporting as in the audit of the financial statements."
- A requirement for auditors that are planning "to use the work of others in the audit of internal control over financial reporting to adapt and apply, as necessary, the requirements of AU-C section 610, including the need for others to apply a systematic and disciplined approach."

In addition, SAS 130 amends various sections of SAS 122.

Next Steps: SAS 130 is effective for integrated audits for periods ending on or after December 15, 2016.

AICPA Issues TPA on Required Supplementary Information

Affects: Auditors.

Summary: On August 26, 2015, the AICPA issued a TPA that provides auditors with nonauthoritative guidance regarding situations in which they are required to be independent with respect to required supplementary information (RSI). Specifically, the TPA explains that under GAAS, an auditor must be independent "for any period being audited and covered by the auditor's opinion" and that, "[i]n the absence of any separate requirement in the particular circumstances of the engagement, the auditor's opinion on the basic financial statements does not cover RSI."

AICPA Releases Attestation Standard on Agreed-Upon Procedures Engagements

Affects: Auditors that perform agreed-upon procedures engagements.

Summary: On February 25, 2015, the AICPA issued an attestation interpretation of the guidance in AT 201 on agreed-upon procedures engagements. Specifically, the interpretation clarifies the meaning of the term "due diligence services" in light of the requirements in the SEC's final rule on nationally recognized statistical rating organizations, under which "the issuer or underwriter of any [asset-backed security must] make publicly available the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter."

AICPA Releases Interpretation of Guidance on Going Concern

Affects: Auditors.

Summary: In January 2015, the AICPA issued AU-C Section 9570, which is an interpretation of the going-concern guidance in AICPA standards in light of certain questions that have arisen regarding application of AU-C Section 570 as well as the FASB's ASU 2014-15 and the GASB's Statement 56. AU-C Section 9570 contains Q&As on the following topics:

- Definitions of the terms "substantial doubt about an entity's ability to continue as a going concern" and "reasonable period of time."
- Interim financial information.
- Consideration of financial statement effects.

CAQ

CAQ and Audit Analytics Issue Report on Audit Committee Transparency

Affects: Public-company audit committees.

Summary: On November 3, 2015, the CAQ and Audit Analytics issued the 2015 edition of their report analyzing how audit committees of public companies publicly communicate their oversight activities. This analysis is performed "by measuring the robustness of proxy disclosures among companies in the S&P Composite 1500." The report compares the 2014 and 2015 data and concludes that "audit committees are responding to an increasing interest by investors, regulators, and other stakeholders in the roles and responsibilities of audit committees by providing the marketplace with meaningful information about their role in external auditor oversight." In addition, the report cites examples of audit committees' "leading disclosure practices" indicating that the committees have been tailoring disclosures to their companies rather than "using a one-size-fits-all approach."

Other Resources: For more information, see the press release on the CAQ's Web site.

CAQ Publishes Two Alerts Related to 2015 Audit Cycle

Affects: Auditors.

Summary: On October 12, 2015, the CAQ released the following two alerts that address potential risks auditors should consider for the 2015 audit cycle:

- *Select Auditing Considerations for the 2015 Audit Cycle* — Contains information about "some of the more judgmental or complex audit areas," including professional skepticism; ICFR; risk assessment and audit planning; supervision of other auditors and multilocation audit engagements; testing issuer-prepared data and reports; cybersecurity; revenue recognition; auditing accounting estimates, including fair value measurements; and related parties and significant unusual transactions.
- *Select Considerations for the 2015 Audit Cycle for Brokers and Dealers* — Focuses on audit deficiencies identified by the PCAOB during its inspections of broker-dealer audits in 2014. The alert notes that these deficiencies included "failures to satisfy independence requirements; revenue recognition; related parties; reliance on records and reports produced by service organizations or brokers and dealers themselves; fair value accounting estimates; financial statement presentation and disclosures; and the customer protection rule."

Other Resources: For more information, see the press release on the CAQ's Web site.

CAQ and IIA Issue Report on Strengthening Audit Relationships

Affects: Auditors.

Summary: On March 10, 2015, the CAQ and IIA issued a report on how the roles of the internal auditor, external auditor, and audit committee intersect. Specifically, the report explores how these three parties can cooperate to foster effective communication and enterprise risk management.

IIA

IIA Updates *International Professional Practices Framework*

Affects: Internal auditors.

Summary: On July 6, 2015, the IIA announced that it has updated its *International Professional Practices Framework* for internal auditors. The framework enhancements include the addition of an internal audit mission statement and the incorporation of 10 core principles that "articulate internal audit effectiveness."

Other Resources: For more information, see the press release on the IIA's Web site.

PCAOB

PCAOB Adopts New Rules Requiring Disclosure of Engagement Partner and Other Audit Participants*

Affects: Registered public accounting firms.

Summary: On December 15, 2015, the PCAOB issued a rule and related amendments that revise its auditing standards to require audit firms to file a new form, Form AP, in which they disclose (1) the names of the engagement partner; (2) "[t]he names, locations, and extent of participation of other accounting firms that took part in the audit, if their work constituted 5 percent or more of the total audit hours"; and (3) "[t]he number and aggregate extent of participation of all other accounting firms that took part in the audit whose individual participation was less than 5 percent of the total audit hours."

Next Steps: The rule and amendments are subject to SEC approval. If they are approved by the SEC, the requirement to disclose the engagement partner "will be effective for auditor's reports issued on or after January 31, 2017, or three months after SEC approval of the final rules, whichever is later," while the requirement to disclose other audit firms participating in the audit "will be effective for reports issued on or after June 30, 2017."

Other Resources: For more information, see the press release on the PCAOB's Web site.

PCAOB Posts Reorganized Auditing Standards to Its Web Site

Affects: Auditors of public companies.

Summary: On November 11, 2015, the PCAOB announced that it has posted its reorganized auditing standards and interpretations manual to its Web site. The manual uses a single integrated numbering system and is divided into the following topical categories:

- General auditing standards.
- Audit procedures.
- Auditor reporting.
- Matters related to filings under federal securities laws.
- Other matters associated with audits.

Next Steps: The manual will become effective on December 31, 2016; however, auditors can use it before that date.

PCAOB Releases Report Highlighting Deficiencies in the Application of Its Risk Assessment Standards

Affects: Registered public accounting firms.

Summary: On October 15, 2015, the PCAOB released a report detailing deficiencies the Board noted during its 2012–2014 inspections of registered audit firms with respect to their implementation of and compliance with the Board's risk assessment standards. The report found that from 2012 to 2013, the percentage of audits in which deficiencies were noted increased from 26 percent to 27 percent. Further, the preliminary results for 2014 continue to show a high rate of audit deficiencies. Other observations made in the report include the following:

- "Firms did not perform substantive procedures, including tests of details, that were specifically responsive to fraud risks and other significant risks that were identified. . . .
- Firms did not perform sufficient testing of the design and operating effectiveness of controls to support their planned level of control reliance, including testing controls over the system-generated data and reports that were used to support important controls or substantive procedures performed in response to the assessed risks of material misstatement. . . .
- Firms did not evaluate the accuracy and completeness of financial statement disclosures. . . .
- Firms did not take into account relevant audit evidence that appeared to contradict certain assertions in the financial statements."

Other Resources: For more information, see the press release on the PCAOB's Web site.

PCAOB Issues Annual Report and Inspection Briefs Related to Interim Inspection Program

Affects: Registered public accounting firms.

Summary: On August 18, 2015, the PCAOB issued an annual report on its interim inspection program for broker-dealers, which addresses audit deficiencies and independence findings the PCAOB discovered in audit firm inspections it conducted during 2014. The deficiencies noted by the PCAOB primarily concerned revenue recognition, reliance on records and reports, fair value accounting estimates, financial statement presentation disclosures, and the customer protection rule.

In addition, in August and October 2015, the PCAOB also issued its first and second staff inspection briefs related to its 2015 interim inspection program. The inspection briefs are "intended to assist auditors, audit committees, investors, and preparers in further understanding the inspection process and its results."

Other Resources: For more information, see the August 18, September 1, and October 1 press releases on the PCAOB's Web site.

PCAOB Releases "Audit Committee Dialogue" Publication

Affects: Audit committee members.

Summary: On May 7, 2015, the PCAOB released a publication that provides insights into how audit committees can improve their oversight of, and communication with, public-company auditors. In addition to outlining key topics that are "of recurring concern" to audit committees, the publication highlights "emerging risks" that may affect the PCAOB's inspections in the coming year.

Other Resources: For more information, see the press release on the PCAOB's Web site.

International

IOSCO Reports on Transparency of Firms That Audit Public Companies

Affects: Auditors of public companies.

Summary: On November 6, 2015, IOSCO published a report that discusses "audit firm transparency reporting," which is a practice "employed by audit firms to be transparent in their own reporting to investors and other stakeholders about the firm itself, notably, with respect to firm governance and elements of their system of quality control for their financial statement audits."

Other Resources: For more information, see the press release on IOSCO's Web site.

PIOB Publishes Paper Describing Standard-Setting Model

Affects: Auditors.

Summary: On September 15, 2015, the PIOB published a paper that outlines the international standard-setting model that applies to the audit, assurance, ethics, and education fields for professional accountants. As described in the paper, this model comprises a three-tier structure consisting of (1) three standard-setting boards, the IAASB, IESBA, and IAESB; (2) the PIOB, which is an independent organization responsible for overseeing the three boards' standard-setting and nomination processes;

and (3) the Monitoring Group, which is a "group of international public interest and financial organizations . . . with the responsibility to monitor the overall structure and to which the PIOB is accountable."

Other Resources: For more information, see the press release on IFAC's Web site.

IESBA Enhances Auditor Independence Provisions of *Code of Ethics for Professional Accountants*

Affects: Auditors.

Summary: On April 14, 2015, the IESBA issued a final pronouncement that amends its *Code of Ethics for Professional Accountants* to no longer permit auditors to "provide certain prohibited non-assurance services to public interest entity . . . audit clients in emergency situations [and ensure] that they do not assume management responsibility when providing non-assurance services to audit clients." Speaking about how the amendments would improve the code, IESBA Chairman Dr. Stavros Thomadakis noted, "These enhancements will not only further reinforce independence but also promote greater consistency of application of the Code's provisions in the 100-plus jurisdictions around the world where the Code is currently in use."

IAASB Releases Publication on Key Audit Matters

Affects: Auditors.

Summary: On April 22, 2015, the IAASB released a publication that provides auditors with nonauthoritative guidance on how they should apply the concept of key audit matters (KAM) to comply with the requirements of ISA 701. Topics covered in this publication include:

- Language that must be included in the auditor's report when KAM are communicated.
- Factors that may affect the number of KAM to communicate in the auditor's report.
- Elements that must be included in the description of KAM.
- Order in which an auditor should present the items in the KAM section.

IAASB Revises Standard on Auditor's Responsibilities Related to Other Information

Affects: Auditors.

Summary: On April 8, 2015, the IAASB issued a revised version of ISA 720, which provides guidance on an auditor's responsibilities related to "other information." The standard defines other information as "financial and non-financial information, other than the audited financial statements, that is included in entities' annual reports." The purpose of the revisions is to "clarify and increase the auditor's involvement with" such information.

Next Steps: The revised standard is effective for financial statement audits for periods ending on or after December 15, 2016.

Other Resources: For more information, see the press release and at-a-glance document on IFAC's Web site.

IAASB Enhances Auditor Reporting Standards

Affects: Auditors.

Summary: On January 15, 2015, the IAASB issued new and revised auditor reporting standards that are intended to significantly improve auditors' reports for investors and other financial statement users. The revisions include the following:

- For "audits of financial statements of listed entities," auditors would need to (1) communicate key audit matters and (2) disclose the engagement partner's name. These provisions would be optional for other entities.
- Auditors would be required to present the opinion section first, "followed by the Basis for Opinion section, unless law or regulation prescribe[s] otherwise."
- Improvements to going-concern reporting, including requirements to (1) provide a description of management's and auditors' responsibilities related to such reporting as well as separate disclosure of any material uncertainties and (2) "challenge adequacy of disclosures . . . when events or conditions are identified that may cast significant doubt on an entity's ability to continue as a going concern" (emphasis omitted).
- Requirements for auditors to furnish (1) a statement affirming their independence and "fulfillment of relevant ethical responsibilities" (emphasis omitted) and (2) an enhanced description of their responsibilities.

Next Steps: The revisions are effective for financial statement audits for periods ending on or after December 15, 2016.

Other Resources: For more information, see the press release and at-a-glance document on IFAC's Web site.

IAASB Issues Staff Audit Practice Alert on Engagement Partner's Responsibilities

Affects: Auditors.

Summary: On August 14, 2015, the IAASB issued a staff audit practice alert that provides auditors with nonauthoritative guidance on an engagement partner's responsibilities in situations in which the partner is not located where the majority of the audit work is performed. The alert was issued in response to certain regulators' concerns that entities have been applying ISAs inconsistently in such situations.

IAASB Revises Standards Related to Disclosures in Financial Statement Audits

Affects: Auditors.

Summary: On July 15, 2015, the IAASB released a final pronouncement that revises a number of its ISAs to address disclosures in financial statement audits. The purpose of the final pronouncement is to help auditors focus on disclosures throughout the audit process and apply the requirements of the ISAs more consistently. The IAASB staff has also developed a nonauthoritative companion document that describes financial reporting disclosure trends and their possible implications from an audit perspective and highlights how the revised ISAs help auditors address disclosures.

Next Steps: The amendments are effective for financial statement audits for periods ending on or after December 15, 2016.

Other Resources: For more information, see the press release and at-a-glance document on IFAC's Web site.

Governmental Accounting and Auditing Developments

In This Section

AICPA

AICPA Issues Interpretation That Permits Auditors to Report on Federal Sustainability Financial Statements

Affects: Auditors of U.S. government financial statements.

Summary: On October 27, 2015, the ASB of the AICPA issued an interpretation that permits auditors to create a report on the U.S. government's "basic financial statements" (i.e., the statement of social insurance, statement of changes in social insurance amounts, and statement of long-term fiscal projections, which are collectively referred to as the "sustainability financial statements"). The interpretation is related to FASAB Statement 36, which "requires that the statement of long-term fiscal projections be presented in the consolidated financial report of the U.S. government as a basic financial statement starting in fiscal year 2015."

FASAB

FASAB Issues Guidance on Identifying Entities to Include in General-Purpose Federal Financial Reports

Affects: Entities applying federal financial accounting standards.

Summary: On December 23, 2014, the FASAB issued Statement 47, which "establishes principles to identify organizations for which elected officials are accountable . . . and guides preparers of [general-purpose federal financial reports] in determining what organizations to report upon, whether such organizations are considered 'consolidation entities' or 'disclosure entities,' and what information should be presented about those organizations."

Next Steps: Statement 47 is effective for periods beginning after September 30, 2017. Early adoption is prohibited.

Other Resources: For more information, see the press release on the FASAB's Web site.

GAO

GAO Releases Tool for Combating Fraud Risk

Affects: Federal program managers.

Summary: On July 28, 2015, the GAO released a tool that is designed to "help federal program managers combat fraud and ensure integrity in government agencies and programs." According to U.S. Comptroller General Gene L. Dodaro, "Federal managers oversee how hundreds of billions of dollars are spent annually and this new conceptual framework can be a highly effective tool in helping managers fight fraud wherever it exists."

Other Resources: For more information, see the press release on the GAO's Web site.

GASB

GASB Amends Pension Guidance for Certain Governmental Entities*

Affects: Entities reporting under financial accounting and reporting standards for state and local governments.

Summary: On December 11, 2015, the GASB issued Statement 78 in response to concerns from stakeholders that governments participating in certain multiple-employer defined benefit pension plans are finding it difficult to obtain the information they need to comply with the requirements in Statement 68. Statement 78 introduces separate requirements for employers that participate in such pension plans. Specifically, the new Statement "establishes the criteria for identifying the applicable pension plans and addresses measurement and recognition of pension liabilities, expense, and expenditures; note disclosures of descriptive information about the plan, benefit terms, and contribution terms; and required supplementary information presenting required contribution amounts for the past 10 fiscal years."

Next Steps: Statement 78 is effective for reporting periods beginning after December 15, 2015.

Other Resources: For more information, see the press release on the GASB's Web site.

FAF Completes Post-Implementation Review of GASB's Guidance on Nonexchange Transactions

Affects: Entities reporting under financial accounting and reporting standards for state and local governments.

Summary: On November 17, 2015, the FAF released a PIR report on GASB Statements 33 and 36, which provide guidance on nonexchange transactions (i.e., "transactions in which there is no equal exchange of resources"). The PIR report concluded that Statements 33 and 36 had achieved their objectives. Specific findings noted by the PIR team included the following:

- Creditors and other financial statement users had received helpful information about nonexchange transactions as a result of the application of the two standards.
- The standards contain information that is generally comprehensible and reliable and that "can be applied as intended."
- The standards have "achieved their expected benefits" without resulting in significant "implementation and ongoing application costs."

Other Resources: For more information, see the press release on the FAF's Web site.

GASB Issues Report Summarizing Costs and Benefits of Standards on Other Postemployment Benefits

Affects: Entities reporting under financial accounting and reporting standards for state and local governments.

Summary: On October 6, 2015, the GASB issued a report that summarizes how it assessed the expected costs and benefits of its standards on other postemployment benefits, Statements 74 and 75. Specifically, the report outlines the steps the GASB took to reach its conclusion that the benefits of the new standards justify their costs.

GASB Issues Implementation Guide Related to Reorganization of GAAP Hierarchy

Affects: Entities reporting under financial accounting and reporting standards for state and local governments.

Summary: On August 27, 2015, the GASB announced that it has issued an implementation guide that "clarifies, explains, or elaborates on GASB Statements and Interpretations." The guide includes changes made as a result of "feedback received during the year-long public exposure of previously issued implementation guidance," culminating in the issuance of Statement 76, which "reduces the GAAP hierarchy to two categories of authoritative GAAP."

Next Steps: The implementation guide is effective for reporting periods beginning after June 15, 2015.

Other Resources: For more information, see the press release on the GASB's Web site.

GASB Issues Statement on Tax Abatement Disclosures

Affects: Entities reporting under financial accounting and reporting standards for state and local governments.

Summary: On August 14, 2015, the GASB issued Statement 77, which requires state and local governments to disclose information about property and other tax abatement agreements. Specifically, state and local governments that currently have tax abatement programs in place must disclose the following:

- "The purpose of the tax abatement program
- The tax being abated
- Dollar amount of taxes abated
- Provisions for recapturing abated taxes
- The types of commitments made by tax abatement recipients
- Other commitments made by a government in tax abatement agreements, such as to build infrastructure assets."

Next Steps: Statement 77 is effective for reporting periods beginning after December 15, 2015.

Other Resources: For more information, see the press release and *GASB in Focus* article on the GASB's Web site.

GASB Issues Statement to Simplify the GAAP Hierarchy for State and Local Governments

Affects: Entities reporting under financial accounting and reporting standards for state and local governments.

Summary: On June 29, 2015, the GASB issued Statement 76 in an effort to simplify the structure of the GAAP hierarchy for state and local governments. Specifically, the Statement eliminates two of the four categories of authoritative GAAP that exist under the existing hierarchy prescribed by Statement 55. The two categories that will remain under the new standard are (1) GASB Statements and (2) GASB technical bulletins and implementation guides in addition to AICPA guidance that the GASB clears.

Next Steps: Statement 76 is effective for reporting periods beginning after June 15, 2015.

Other Resources: For more information, see the press release on the GASB's Web site.

GASB Enhances Accounting for Pensions and Other Postemployment Benefits

Affects: Entities reporting under financial accounting and reporting standards for state and local governments.

Summary: On June 29, 2015, the GASB issued the following three Statements to improve the accounting for pensions and other postemployment benefits (OPEB):

- Statement 73 — Generally aligns the reporting requirements for pensions and pension plans not covered in GASB Statements 67 and 68 with the reporting requirements in Statement 68.
- Statement 74 — Addresses "reporting by OPEB plans that administer benefits on behalf of governments."
- Statement 75 — Provides guidance on "reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments."

Next Steps: Statement 73 is effective for fiscal years beginning after June 15, 2015, with the exception of the "provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016"; Statement 74 is effective for financial statements for fiscal years beginning after June 15, 2016; and Statement 75 is effective for fiscal years beginning after June 15, 2017. Early adoption of the standards is encouraged.

Other Resources: For more information, see the press release on the GASB's Web site.

GASB Issues Guidance on Fair Value Measurement

Affects: Entities reporting under financial accounting and reporting standards for state and local governments.

Summary: On March 2, 2015, the GASB issued Statement 72, which enhances the transparency and comparability of fair value measurements and disclosures in state and local governments' financial statements. Statement 72 clarifies the definition of fair value and provides guidance on fair value valuation techniques, the fair value measurement hierarchy, and disclosures.

Next Steps: Statement 72 is effective for financial statements for periods beginning after June 15, 2015. Early adoption is encouraged.

Other Resources: For more information, see the press release on the GASB's Web site.

International

IPSASB Issues Standards on Accounting for Interests in Other Entities

Affects: Public-sector entities.

Summary: On January 30, 2015, the IPSASB issued the following five IPSASs on accounting for interests in other entities:

- IPSAS 34, *Separate Financial Statements*.
- IPSAS 35, *Consolidated Financial Statements*.
- IPSAS 36, *Investments in Associates and Joint Ventures*.
- IPSAS 37, *Joint Arrangements*.
- IPSAS 38, *Disclosure of Interests in Other Entities*.

The new IPSASs are based on the IASB's May 2011 "package of five" standards (i.e., IFRS 10, IFRS 11, IFRS 12, IAS 27, and IAS 28), including the 2012 amendments to the guidance on transition and investment entities. The requirements of the IPSASs are aligned with those in the equivalent IASB pronouncements except when departure is considered justified (e.g., modification of terminology, consideration of the interaction with the Government Finance Statistics and the System of National Accounts, reflection of differences between existing IPSASs and IFRSs).

Next Steps: The standards are effective for annual financial statements for periods beginning on or after January 1, 2017. Earlier application is encouraged; however, if an entity decides to apply the requirements early, it must disclose that fact and apply the whole series of standards (IPSAS 34 through IPSAS 38) at the same time.

Other Resources: For more information, see the press release on IFAC's Web site.

IPSASB Issues Standard on First-Time Adoption of Accrual-Basis IPSASs

Affects: Public-sector entities.

Summary: On January 29, 2015, the IPSASB released IPSAS 33, which addresses the transition from a cash basis, an accrual basis under another reporting framework, or a modified version of either the cash or accrual basis of accounting. IPSAS 33 allows first-time adopters three years to recognize specified assets and liabilities so that preparers have sufficient time to develop reliable models for recognizing and measuring assets and liabilities during the transition period. These assets and liabilities include inventories; investment property; property, plant, and equipment; defined benefit plans and other long-term employee benefits; biological assets and agricultural produce; intangible assets; service concession assets and the related liabilities; and financial instruments.

Next Steps: First-time adopters must apply IPSAS 33 when their first IPSAS financial statements are for a period beginning on or after January 1, 2017. Earlier application is permitted.

Other Resources: For more information, see the press release on IFAC's Web site.

IPSASB Aligns IPSASs With Recent IASB Pronouncements

Affects: Public-sector entities.

Summary: On January 23, 2015, the IPSASB issued a final pronouncement that revises several IPSASs in light of certain amendments that were recently made to IASB standards. The following four IPSASs are affected:

- *IPSAS 1* — Clarification of comparative information requirements.
- *IPSAS 17* — Revisions to guidance on classification of servicing equipment, clarification of the revaluation method, additional guidance on acceptable methods of depreciating assets.
- *IPSAS 28* — Additional guidance on tax effects of distributions to holders of equity instruments.
- *IPSAS 31* — Clarification of the revaluation method, clarification of acceptable methods of amortizing assets.

Next Steps: The amendments are effective for annual financial statements for periods beginning on or after January 1, 2015.

Regulatory and Compliance Developments

In This Section

AICPA

AICPA Holds 2015 Conference on Current SEC and PCAOB Developments*

Affects: All entities.

Summary: On December 9–11, 2015, the AICPA held its annual Conference on Current SEC and PCAOB Developments. During the conference, numerous speakers and discussion panels shared their insights into current accounting, reporting, and auditing practice issues. Key topics addressed at this year's conference included the following:

- *Disclosure effectiveness* — Speakers focused on improving disclosure requirements, with the goal of enhancing the information provided to investors and promoting efficiency, competition, and capital formation. The SEC reiterated its continued focus on disclosure effectiveness, including its outreach to the investor community, its ongoing collaboration with the FASB, its recent release requesting public comment on certain disclosure requirements of Regulation S-X, an expected release seeking feedback on certain aspects of Regulation S-K, and other near-term initiatives.
- *ICFR* — ICFR continues to be a key focus for regulators, preparers, and auditors. SEC Chief Accountant James Schnurr stated that "[m]anagement's ability to fulfill its financial reporting responsibilities depends, in large part, on the design and effectiveness of internal control over financial reporting." Several speakers commented that the frequency of ICFR-related findings in PCAOB inspections highlights the need for management, auditors, and audit committees to work together to address potential underlying issues with controls and assessments.
- *IFRSs* — The SEC's consideration of the potential incorporation of IFRSs into the U.S. financial reporting system has long been a topic at the conference, and this year was no exception. At the 2014 conference, Mr. Schnurr introduced a potential fourth alternative regarding the use of IFRSs in the United States that would allow U.S.-based filers to voluntarily provide supplemental IFRS-based information without reconciliation to U.S. GAAP. In his remarks before the 2015 conference, Mr. Schnurr indicated that the OCA is likely to recommend that the SEC consider and commence rulemaking that is consistent with this fourth alternative.
- *Audit committees* — Speakers observed that the roles and responsibilities now frequently imposed on audit committees in addition to their core SEC-required duties may interfere with their primary responsibility of overseeing the company's financial reporting. Mr. Schnurr recapped the SEC staff's efforts over the past year to address "(a) whether investors are interested in hearing from audit committees on *how* (not just *if*) they have fulfilled their responsibilities; and (b) whether the Commission's rules support such reporting." As part of these efforts, the Commission issued a concept release in July 2015 to seek feedback on the proposed changes to the reporting requirements as well as on additional disclosures investors may want.
- *Non-GAAP measures* — While no new rules on non-GAAP measures have been issued and none are expected at this time, such measures were still a key discussion topic at this year's conference. In addition, the staff in the SEC's Division of Corporation Finance (the "Division") reiterated that it continues to focus on the use of non-GAAP measures in determining whether such use complies with the disclosure requirements of Regulation S-K, Item 10(e). The Division staff highlighted that it is therefore focusing on whether non-GAAP measures should be given no greater prominence than GAAP measures and on whether the labeling of adjustments between the two measures is clear.

Other Resources: Deloitte's December 15, 2015, *Heads Up*.

Banking

FDIC, OCC, and Federal Reserve Issue Guidance on Capital Treatment of Certain Investments in Covered Funds

Affects: Banking entities.

Summary: On November 6, 2015, the FDIC, OCC, and Federal Reserve issued supervisory guidance that clarifies "the interaction between the agencies' regulatory capital rule and the Volcker Rule with respect to the appropriate capital treatment for investments in certain private equity funds and hedge funds (covered funds)." Specifically, the guidance "clarifies supervisory expectations on how a banking organization's regulatory capital deductions of investments in covered funds made pursuant to section 13 of the Bank Holding Company Act (also referred to as the Volcker Rule) and implementing regulations relate to deductions of these investments pursuant to the regulatory capital rule."

Other Resources: For more information, see the press release on the FDIC's Web site.

Banking Agencies Issue Final Rule on Swap Margin Requirements

Affects: Swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants.

Summary: On October 30, 2015, the FDIC, OCC, Federal Reserve, FCA, and FHFA issued a final rule that establishes "minimum margin and capital requirements for registered swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants for which one of the Agencies is the prudential regulator." The final rule is being released in response to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act and "was developed in consultation with the CFTC and the SEC."

Next Steps: The final rule will become effective on April 1, 2016.

Other Resources: For more information, see the press release on the FDIC's Web site.

OCC Releases 2015 Update to Bank Accounting Advisory Series

Affects: Banking entities.

Summary: On September 29, 2015, the OCC released an update to its Bank Accounting Advisory Series (BAAS). This BAAS update includes new and updated questions on troubled debt restructurings, other real estate owned, acquisitions, intangible assets, pushdown accounting, loans held for sale, and corporate reorganizations. However, certain questions on loans held for sale, deferred taxes, acquisitions, and pushdown accounting have been deleted.

Other Resources: For more information, see the press release on the OCC's Web site.

COSO

COSO Issues White Paper on Risk Management

Affects: All entities.

Summary: On July 7, 2015, COSO released a white paper that addresses risk management by outlining "three lines of defense" — risk ownership, risk monitoring, and risk assurance — that entities should employ in assigning and coordinating "specific duties related to risk and control." The paper points out that "[t]he benefits of clearly defining responsibilities related to governance, risks, and control are that gaps in controls and duplication of duties related to risk and control are minimized."

Other Resources: For more information, see the press release on COSO's Web site.

COSO Publishes Research Report on Cyber Risk

Affects: All entities.

Summary: On January 14, 2015, COSO released a research report that offers insight into how the *Internal Control — Integrated Framework* and *Enterprise Risk Management — Integrated Framework* can help entities "effectively and efficiently evaluate and manage cyber risks." Specifically, the report "provides direction on identifying and implementing internal control components and principles, from demonstrating commitment to integrity and ethical values, to risk analysis, and evaluating and communicating deficiencies."

Other Resources: For more information, see the press release on COSO's Web site.

SEC

SEC Proposes Rule on Resource Extraction Disclosures*

Affects: SEC registrants.

Summary: On December 11, 2015, the SEC issued a proposed rule on resource extraction disclosures in response to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The proposal "would require resource extraction issuers to disclose payments made to the U.S. federal government or foreign governments for the commercial development of oil, natural gas or minerals." Such disclosures would be required if (1) the issuer must file annual reports with the SEC in accordance with the Securities Exchange Act of 1934 or (2) the payments are made by entities or subsidiaries that the issuer controls.

Next Steps: Comments on the proposed rule are due by January 25, 2016.

Other Resources: For more information, see Deloitte's December 15, 2015, journal entry as well as the press release on the SEC's Web site.

SEC Proposes Rule on Use of Derivatives*

Affects: SEC registrants.

Summary: On December 11, 2015, the SEC issued a proposed rule on use of derivatives by registered investment companies and business development companies. The proposal would "place restrictions on funds, such as mutual funds and exchange-traded funds . . . that would limit their use of derivatives and require funds to put in place risk management measures resulting in better protection for investors."

Next Steps: Comments on the proposed rule are due 90 days after the date of its publication in the *Federal Register*.

Other Resources: For more information, see the press release on the SEC's Web site.

FAST Act Amends JOBS Act and SEC Disclosure Requirements*

Affects: All entities.

Summary: On December 4, 2015, President Obama signed the FAST Act into law. Among its many provisions, the FAST Act amends the JOBS Act and certain SEC disclosure requirements. It also establishes a new statutory exemption for private resales of securities. Specific provisions of the FAST Act include those related to JOBS Act changes for initial public offerings of emerging growth companies, Form 10-K and Regulation S-K disclosure changes, a new Section 4(a)(7) exemption for private resales, incorporation by reference for smaller reporting companies, and an amendment to registration thresholds applicable to savings and loan holding companies.

Other Resources: For more information, see Deloitte's December 8, 2015, journal entry as well as the announcement on the SEC's Web site.

SEC Issues Final Rule on Crowdfunding

Affects: SEC registrants.

Summary: On October 30, 2015, the SEC issued a final rule that permits eligible companies to use "crowdfunding" to offer and sell securities. Crowdfunding is a method of raising capital through the Internet, typically by soliciting small individual contributions from a large number of people.

The final rule (mandated by Title III of the JOBS Act) permits an individual to use crowdfunding to invest in eligible companies, subject to certain thresholds, on the basis of the annual income or net worth of the individual; however, the amount of money a company can raise through crowdfunding offerings would be limited to $1 million in a 12-month period.

Next Steps: The final rule will become effective on May 16, 2016.

Other Resources: For more information, see the press release on the SEC's Web site.

SEC Issues Staff Legal Bulletin on Exclusion of Shareholder Proposals

Affects: SEC registrants.

Summary: On October 22, 2015, the SEC's Division of Corporation Finance issued a staff legal bulletin that provides its views on the exclusion of shareholder proposals under Rule 14a-8 of the Securities Exchange Act of 1934. Among other things, the staff suggests that a company may omit a shareholder proposal when it conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting "if a reasonable shareholder could not logically vote in favor of both proposals."

SEC Amends Rule Related to Money Market Funds

Affects: SEC registrants.

Summary: On September 16, 2015, the SEC issued a final rule that removes credit rating references from its money market fund rule and form. Under the new requirements, a money market fund "is limited to investing in a security only if the fund determines that the security presents minimal credit risks after analyzing certain prescribed factors."

The final rule became effective on October 26, 2015.

Next Steps: Entities must comply with the rule by October 14, 2016.

Other Resources: For more information, see the press release on the SEC's Web site.

SEC Updates Financial Reporting Manual

Affects: SEC registrants.

Summary: On August 25, 2015, the staff in the SEC's Division of Corporation Finance (the "Division") updated Sections 1320.3 and 1320.4 of its Financial Reporting Manual (FRM) to clarify that "[g]enerally, the Division of Corporation Finance will not issue comments asking a delinquent registrant to file separately all of its delinquent filings if the registrant files a comprehensive annual report on Form 10-K that includes all material information that would have been included in those filings." Previously, registrants would have sought such an accommodation in writing from the Division's Office of the Chief Accountant.

The updates also reiterated that a registrant's filing of a comprehensive annual report on Form 10-K in those circumstances does not (1) absolve it of any Exchange Act liability arising from its failure to file all required reports or shield it from any related enforcement actions; (2) make it "current" for Regulation S, Rule 144, or Form S-8 filings; or (3) affect its inability to use Form S-3 until it satisfies the timely-filer requirements.

Other Resources: For more information, see the FRM page on the SEC's Web site.

SEC Conflict Minerals Rule: Federal Appellate Court Upholds Partial Stay; GAO Releases Report on Conflict Minerals Disclosures

Affects: SEC registrants.

Summary: On August 18, 2015, the U.S. Court of Appeals for the District of Columbia Circuit (the "Appellate Court") upheld its April 2014 ruling that parts of the SEC's conflict minerals rule and of Section 1502 of the Dodd-Frank Act violate the First Amendment to the extent that they require issuers to disclose that their products have "not been found to be 'DRC conflict free.'" The Appellate Court had agreed to review its April 2014 ruling in light of a separate case involving country-of-origin labeling of meat products.

Editor's Note: On April 14, 2014, the Appellate Court held that parts of the SEC's conflict minerals rule and of Section 1502 of the Dodd-Frank Act violate the First Amendment and remanded the case to the district court. Later that month, the SEC staff issued guidance indicating that registrants would not be required to identify any products as having "not been found to be 'DRC conflict free'" or as being "DRC conflict undeterminable." Registrants could still elect to identify products as "DRC conflict free," but those doing so would be required to obtain an independent private-sector audit (IPSA). On May 2, 2014, the SEC issued a stay of the effective date of portions of its conflict minerals rule that the Appellate Court deemed unconstitutional. The SEC is currently reviewing the Appellate Court's decision, and final resolution of the legal action remains uncertain. Accordingly, registrants should consult with their SEC counsel to determine whether and, if so, when an IPSA is required in light of (1) the SEC staff's April 2014 guidance; (2) the expiration, for many registrants, of the conflict mineral rule's temporary transition period after the 2014 calendar-year filings; and (3) the Appellate Court's ruling.

In addition, on November 17, 2015, the GAO issued a report on its review of disclosures that a sample of SEC registrants provided under the Commission's conflict minerals rule "for the first time in 2014." Of the companies in the sample, most (87 percent) were U.S.-based and "most (67 percent) were unable to determine whether those minerals came from the DRC or adjoining countries (Covered Countries), and none could determine whether the minerals financed or benefited armed groups in those countries."

Other Resources: For more information about developments related to the SEC's conflict minerals rule, see Deloitte's March 27, 2014; July 21, 2014; and August 25, 2015, *Heads Up* newsletters. Also see the report highlights on the GAO's Web site.

SEC Issues Final Rule on Pay Ratio Disclosure

Affects: SEC registrants.

Summary: On August 5, 2015, the SEC issued a final rule that requires a registrant to calculate and disclose (1) the median of the annual total compensation of all its employees (excluding its principal executive officer (PEO)), (2) the PEO's annual total compensation, and (3) the ratio of (1) to (2). Starting with its first full fiscal year beginning on or after January 1, 2017, the registrant will include the disclosures in filings in which executive compensation information is required, such as proxy and information statements, registration statements, and annual reports. Emerging growth companies, smaller reporting companies, foreign private issuers, registered investment companies, and filers under the U.S.-Canadian Multijurisdictional Disclosure System are exempt from the rule's requirements.

Editor's Note: The rulemaking associated with the new requirements has been controversial, as demonstrated by the SEC's receipt of over 287,400 comment letters on the original rule proposal and the SEC's 3–2 vote on the final rule. To address concerns expressed by commenters about the costs of complying with the requirements, the rule provides certain accommodations.

The final rule became effective on October 19, 2015.

Other Resources: For more information, see the press release on the SEC's Web site. Also see Deloitte's August 6, 2015, journal entry and September 10, 2015, *Heads Up*.

SEC Issues Final Rule on Registration for Security-Based Swap Participants

Affects: SEC registrants.

Summary: On August 5, 2015, the SEC issued a final rule on security-based swaps. The final rule addresses "all aspects of the registration regime for security-based swap dealers and major security-based swap participants, setting forth the extensive set of information required to be provided and kept up to date by a registrant."

The final rule became effective on October 13, 2015.

Other Resources: For more information, see the press release on the SEC's Web site.

SEC Staff Issues Guidance on Amendments to Regulation A

Affects: SEC registrants.

Summary: On June 18, 2015, the SEC staff issued guidance on its March 2015 amendments to Regulation A. The amendments, which were issued to implement Section 401 of the JOBS Act, exempt certain offerings from registration under the Securities Act of 1933.

Specifically, the amendments provide relief for entities that offer and sell up to $50 million of securities in a 12-month period if they meet specified eligibility, disclosure, and reporting requirements. The amendments became effective on June 19, 2015.

The SEC staff also recently issued and revised a number of C&DIs to provide additional guidance on Regulation A. Specifically, the staff added questions 182.01 through 182.11 under the Securities Act Rules interpretations and withdrew questions 128.01 and 128.03 from the Securities Act Forms interpretations.

SEC and CFTC Issue Interpretation on Forward Contracts With Volumetric Optionality

Affects: All entities.

Summary: On May 12, 2015, the SEC and CFTC jointly issued an interpretive release that clarifies the CFTC's "interpretation of when an agreement, contract, or transaction with embedded volumetric optionality would be considered a forward contract." The interpretation is being released in response to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act as well as comments from market participants.

The interpretation became effective on May 18, 2015.

SEC Issues Final Rule to Ease Smaller Companies' Access to Capital

Affects: SEC registrants.

Summary: On March 25, 2015, the SEC issued a final rule that amends and expands Regulation A, which exempts certain offerings from registration under the Securities Act of 1933. The rule implements a mandate in Section 401 of the JOBS Act to ease smaller companies' access to capital.

Under Regulation A before the amendments, a company could offer up to $5 million of securities in a 12-month period and no more than $1.5 million of those securities could be offered by the company's securityholders. Under the new rule, a company can offer and sell up to $50 million of securities in a 12-month period if it meets specified eligibility, disclosure, and reporting requirements. The rule creates the following two tiers of offerings under Regulation A:

- "Tier 1: annual offering limit of $20 million, including no more than $6 million on behalf of selling securityholders that are affiliates of the issuer."
- "Tier 2: annual offering limit of $50 million, including no more than $15 million on behalf of selling securityholders that are affiliates of the issuer."

The final rule establishes offering and reporting requirements for issuers under both tiers; however, such requirements are more extensive for Tier 2 issuers, which must provide audited financial statements in their offering documents and file annual, semiannual, and current reports with the SEC. The rule also preserves, "with some modifications, existing provisions regarding issuer eligibility, offering circular contents, testing the waters, and 'bad actor' disqualification."

The final rule became effective on June 19, 2015.

Other Resources: For more information, see the press release on the SEC's Web site.

SEC Issues Rules on Security-Based Swaps

Summary: On February 11, 2015, the SEC issued two final rules (Final Rule Release Nos. 34-74244 and 34-74246) that require registered security-based swap data repositories (SDRs) to "establish and maintain certain policies and procedures regarding how transaction data are reported and disseminated." In addition, certain registered SDRs must "establish and maintain policies and procedures that are reasonably designed to ensure that they comply with applicable reporting obligations."

The final rules became effective on May 18, 2015.

Other Resources: For more information, see the press release on the SEC's Web site.

SEC Releases Cybersecurity Publications

Affects: All entities.

Summary: On February 3, 2015, the SEC issued the following two publications related to cybersecurity risks at brokerage and advisory firms:

- *Risk alert* — Summarizes the findings associated with an examination of over 100 investment advisers and broker-dealers conducted by the SEC's Office of Compliance Inspections and Examinations (OCIE). The OCIE observed the entities' practices related to "identifying risks related to cybersecurity; establishing cybersecurity governance, including policies, procedures, and oversight processes; protecting firm networks and information; identifying and addressing risks associated with remote access to client information and funds transfer requests; identifying and addressing risks associated with vendors and other third parties; and detecting unauthorized activity."

- *Investor bulletin* — Provides investors with advice on how to protect their online investment accounts (e.g., selecting a strong password, two-step verification, careful use of public networks).

Other Resources: For more information, see the press release on the SEC's Web site.

International

Basel Committee Revises Proposal on Standardized Approach to Credit Risk*

Affects: Banking entities.

Summary: On December 10, 2015, the Basel Committee released a consultative document containing revisions to its standardized approach to credit risk. The proposed revisions "form part of the Committee's broader review of the capital framework to balance simplicity and risk sensitivity, and to promote comparability by reducing variability in risk-weighted assets across banks and jurisdictions."

Next Steps: Comments on the consultative document are due by March 11, 2016.

Other Resources: For more information, see the press release on the BIS's Web site and the banking agencies' statement on the Federal Reserve's Web site.

Basel Committee Issues FAQs on Basel III Countercyclical Capital Buffer

Affects: Banking entities.

Summary: On October 19, 2015, the Basel Committee issued a set of FAQs on implementing the "countercyclical capital buffer" requirement, which is part of the Basel III risk-based capital standards that the committee released in 2010. The main purpose of the buffer is to "achieve the broader macroprudential goal of protecting the banking sector from periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk."

Next Steps: The phase-in period for the countercyclical capital buffer requirement will begin on January 1, 2016.

Other Resources: For more information, see the press release on the BIS's Web site.

Basel Committee and IOSCO Publish Final Criteria for Identifying Simple, Transparent, and Comparable Securitizations

Affects: Entities in the financial services industry.

Summary: On July 23, 2015, the Basel Committee and IOSCO published a set of criteria aimed at helping entities in the financial industry develop securitization structures that are simple, transparent, and comparable. The publication defines simplicity, transparency, and comparability as follows:

- *Simplicity* — Refers to "the homogeneity of underlying assets with simple characteristics, and a transaction structure that is not overly complex."
- *Transparency* — Indicates that investors have "sufficient information on the underlying assets, the structure of the transaction and the parties involved in the transaction, thereby promoting a more thorough understanding of the risks involved."
- *Comparability* — Investors gain a better understanding of the investments in question and can more easily compare securitization products in an asset class.

Other Resources: For more information, see the press release on the BIS's Web site.

Basel Committee Revises Corporate Governance Principles for Banks

Affects: Banking entities.

Summary: On July 8, 2015, the Basel Committee issued a set of revised corporate governance principles for banks. The revised principles, which supersede guidance that the committee released in 2010, stress "the critical importance of effective corporate governance for the safe and sound functioning of banks." Specific revisions include:

- Expanded guidance on the board of director's role "in overseeing the implementation of effective risk management systems."
- Heightened emphasis on "the board's collective competence as well as the obligation of individual board members to dedicate sufficient time to their mandates and to keep abreast of developments in banking."
- Stronger risk governance guidance and increased emphasis on the necessity of a "sound risk culture."
- Additional guidance on how bank supervisors should evaluate "the processes used by banks to select board members and senior management."
- Further discussion of compensation systems, which "form a key component of the governance and incentive structure through which the board and senior management of a bank convey acceptable risk-taking behaviour."

Other Resources: For more information, see the press release on the BIS's Web site.

Basel Committee Issues FAQs on Basel III Leverage Ratio Framework

Affects: Banking entities.

Summary: In July 2015, the Basel Committee published a series of FAQs on implementation of its Basel III leverage ratio framework and the related disclosure requirements. Topics covered in the FAQs include the following:

- Recognizing cash variation margin.
- Whether an affiliate entity to a bank acting as a clearing member can be considered a client under the framework.
- Exposures and netting of securities financing transactions.
- Using the framework to perform netting for derivatives and securities financing transactions under a cross-product netting agreement.
- Meaning of the term "negative change in fair value."
- Treatment of long settlement transactions and failed trades under the framework.

Basel Committee Issues Net Stable Funding Ratio Disclosure Standards

Affects: Banking entities.

Summary: On June 22, 2015, the Basel Committee issued a set of standards that require banks to use a common template in providing disclosures related to the net stable funding ratio (NSFR). The purpose of the disclosure requirements is to "improve the transparency of regulatory funding requirements, reinforce the [committee's liquidity risk management principles], strengthen market discipline, and reduce uncertainty in the markets as the NSFR is implemented."

Next Steps: Banks must comply with the new disclosure requirements as of the date of the first reporting period after January 1, 2018.

Other Resources: For more information, see the press release on the BIS's Web site.

Basel Committee Removes Certain "National Discretions" From Capital Framework and Issues FAQ on Valuation Adjustment

Affects: Banking entities.

Summary: On April 21, 2015, the Basel Committee announced that it has decided to remove certain "national discretions" (i.e., provisions that permit "countries to adapt the Basel standards to reflect differences in local financial systems") from the Basel capital framework. Topics affected include:

- Treatment of past-due loans.
- Definition of retail exposures.
- Transition requirements for corporate, sovereign, retail, and bank exposures.
- Rating structure standards for wholesale exposures.
- Internal and external audits.
- Reaging requirements.

In addition, on this same date, the committee issued an FAQ on how a bank should calculate the capital adjustment for its own credit when adopting a funding valuation adjustment. The committee concluded that "a bank should continue to derecognise its debit valuation adjustment in full, whether or not it has adopted a funding valuation-type adjustment."

Other Resources: For more information, see the press release on the BIS's Web site.

Basel Committee and IOSCO Revise Implementation of Margin Requirements for Non-Centrally-Cleared Derivatives

Affects: Banking entities.

Summary: On March 18, 2015, the Basel Committee and IOSCO published revisions to the implementation of the margin requirements for non-centrally-cleared derivatives. Provisions of the revisions include (1) delaying — from December 1, 2015, to September 1, 2016 — "the beginning of the phase-in period for collecting and posting initial margin on non-centrally cleared trades" and (2) establishing "a six-month phase-in of the requirement to exchange variation margin" (this phase-in will begin on September 1, 2016).

Other Resources: For more information, see the press release and summary of changes on the BIS's Web site.

Basel Committee Revises Pillar 3 Disclosure Requirements

Affects: Banking entities.

Summary: On January 28, 2015, the Basel Committee issued a final standard that would revise the Pillar 3 disclosure requirements for banks. The purpose of the revisions is to facilitate market participants' comparisons of banks' disclosures about risk-weighted assets.

Next Steps: The new disclosure requirements will become effective at the end of 2016.

Other Resources: For more information, see the press release on the BIS's Web site.

FSB Issues Reports Related to Bank Risk Disclosures*

Affects: Banking entities.

Summary: On December 7, 2015, the FSB released the following two reports related to bank risk disclosures:

- *2015 Progress Report on Implementation of the EDTF Principles and Recommendations* — Constitutes "the EDTF's fourth report and third progress report on implementation of the EDTF recommendations; it covers 40 global or domestic systemically important banks."
- *Impact of Expected Credit Loss Approaches on Bank Risk Disclosures* — Addresses the "changes banks will need to make to their financial disclosures with the implementation of a new expected credit loss accounting standard."

Other Resources: For more information, see the press release on the FSB's Web site.

FSB Decides to Create Task Force on Climate-Related Disclosures*

Affects: All entities.

Summary: On December 4, 2015, the FSB announced that it has decided to create a task force on climate-related financial disclosures. The task force, which will be chaired by former New York City mayor Michael R. Bloomberg, "will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to lenders, insurers, investors and other stakeholders."

Other Resources: For more information, see the press release on the FSB's Web site.

FSB Updates Lists of Global Systemically Important Entities

Affects: Global systemically important banks (G-SIBs) and global systemically important insurers (G-SIIs).

Summary: On November 3, 2015, the FSB published updates to its lists of G-SIBs and G-SIIs. The updated lists add one bank and one insurer and remove one bank and one insurer. In total, there are 30 G-SIBs and 9 G-SIIs.

Other Resources: For more information, see the press releases related to the updates to the list of G-SIBs and G-SIIs on the FSB's Web site.

FSB Issues Total Loss-Absorbing Capacity Standard for G-SIBs

Affects: G-SIBs.

Summary: On November 9, 2015, the FSB issued a standard that "defines a minimum requirement for the instruments and liabilities that should be readily available for bail-in within resolution at G-SIBs." The purpose of the standard is to ensure that G-SIBs "have sufficient loss-absorbing and recapitalisation capacity available in resolution for authorities to implement an orderly resolution that minimises impacts on financial stability, maintains the continuity of critical functions, and avoids exposing public funds to loss."

Other Resources: For more information, see the press release on the FSB's Web site.

IAIS Revises Core Insurance Principles*

Affects: Insurance entities.

Summary: On December 2, 2015, the IAIS released revisions to its core insurance principles. The revisions "take into account recent developments in group supervision, corporate governance and risk management as well as principles, standards and guidance issued by other standard setting bodies."

Other Resources: For more information, see the press release on the IAIS's Web site.

IFRS Foundation Issues Taxonomy Guide for Regulators

Affects: All entities.

Summary: On June 3, 2015, the IFRS Foundation issued a guide to help market regulators and other organizations adopt and use the IFRS taxonomy within an electronic filing system. Topics covered in the guide include:

- How to get started.
- IFRS taxonomy architecture.
- Architecture options for using the IFRS taxonomy in a filing system.
- Best practices/recommendations.

Other Resources: For more information, see the press release on the IASB's Web site.

IOSCO Publishes Report on Timeliness and Frequency of Disclosures Provided to Investors

Affects: Issuers and collective investment schemes (CISs).

Summary: On July 30, 2015, IOSCO released a report that discusses the results of its thematic review of the timeliness and frequency of disclosures that issuers and CISs in 37 jurisdictions provide in accordance with Principles 16 and 26 of IOSCO's *Objectives and Principles of Securities Regulation*. Regarding disclosures under Principle 16, the report indicates that there were jurisdictional differences related to whether and when the disclosures were required. With respect to the Principle 26 disclosures, the report "found that timely disclosure requirements on value, risk reward profile and costs of CIS were in place for all jurisdictions."

Editor's Note: Principle 16 concerns issuers and indicates that "there should be full, accurate and timely disclosure of financial results, risk and other information that is material to investors' decisions." Principle 26 is related to CISs and states that "regulation should require disclosure, which is necessary to evaluate the suitability of a CIS for a particular investor and the value of the investor's interest in the scheme."

Other Resources: For more information, see the press release on IOSCO's Web site.

IOSCO Enhances Code of Conduct for Credit Rating Agencies

Affects: Credit rating agencies.

Summary: On March 24, 2015, IOSCO published revisions to its *Code of Conduct Fundamentals for Credit Rating Agencies*. The changes include:

- Enhancement of the "provisions regarding protecting the integrity of the credit rating process, managing conflicts of interest, providing transparency, and safeguarding non-public information."
- Incorporating measures for "governance, training, and risk management."
- Adding and amending definitions of key terms, reorganizing the code's structure, and eliminating redundancy.

Other Resources: For more information, see the press release on IOSCO's Web site.

IOSCO and CPMI Release Guidance on Disclosures Related to Central Counterparties

Affects: Banking entities.

Summary: On February 26, 2015, IOSCO and the CPMI issued a set of standards that provide guidance on quantitative information that central counterparties should disclose to stakeholders. The new guidance is consistent with the principles of the CPSS-IOSCO December 2012 disclosure framework, which is an effort to "improve the overall transparency of financial market infrastructures."

Other Resources: For more information, see the press release on the BIS's Web site.

IOSCO Seeks to Mitigate Risks Related to Non-Centrally-Cleared Derivatives

Affects: All entities.

Summary: On January 28, 2015, IOSCO issued a final report that prescribes "nine standards aimed at mitigating the risks in the non-centrally cleared OTC derivatives markets." The objective of the report is to "encourage the adoption of sound risk mitigation techniques to promote legal certainty over the terms of the non-centrally cleared OTC derivatives transactions, to foster effective management of counterparty credit risk and to facilitate timely resolution of disputes."

Other Resources: For more information, see the press release on IOSCO's Web site.

Appendix A: Selected Deloitte Publications

Heads Up

Accounting — New Standards and Exposure Drafts

- Highlights of the 2015 AICPA Conference on Current SEC and PCAOB Developments (December 15, 2015)
- FASB Proposes Amendments to the Disclosure Requirements for Fair Value Measurements (December 8, 2015)
- FASB Proposes Amendments to Clarify the Definition of a Business (December 4, 2015)
- FASB Issues ASU on Balance Sheet Classification of Deferred Taxes (November 30, 2015)
- FASB Proposes ASU to Increase Transparency of Accounting for Government Assistance Arrangements (November 20, 2015)
- FASB Issues Proposed Revenue ASU to Make Narrow-Scope Amendments and Provide Practical Expedients (October 2, 2015)
- FASB Simplifies the Accounting for Measurement-Period Adjustments (September 30, 2015)
- FASB's Proposed ASU States That Omissions of Immaterial Disclosures Are Not Accounting Errors (September 28, 2015)
- SEC Issues Final Rule on Pay Ratio Disclosure (September 10, 2015)
- FASB Proposes Amendments to New Revenue Standard's Guidance on Principal-Versus-Agent Considerations (September 1, 2015)
- FASB Issues ASU on Employee Benefit Plan Accounting (August 14, 2015)
- SEC Proposes Rule on "Clawback" Policies (August 5, 2015)
- FASB Issues ASU on Simplifying the Measurement of Inventory (July 24, 2015)
- FASB Confirms Decision to Defer Effective Date of New Revenue Standard by One Year (July 10, 2015)
- IASB Proposes Revisions to Its Conceptual Framework (June 26, 2015)
- FASB Simplifies Guidance on Presentation of Debt Issuance Costs (June 18, 2015)
- FASB Issues Proposed ASU to Amend Equity Method Accounting (June 16, 2015)
- FASB Issues Proposed ASU to Simplify the Accounting for Share-Based Payments (June 12, 2015)
- FASB Amends Its Consolidation Model (May 26, 2015)
- FASB Issues Proposed Revenue ASU on Licensing and Identifying Performance Obligations (May 13, 2015)
- FASB Issues Proposed ASU on Presentation of Not-for-Profit Entities' Financial Statements (May 8, 2015)
- FASB Issues ASU on Customers' Accounting for Cloud Computing Costs (April 17, 2015)
- FASB Permits Use of Practical Expedient for Retirement Benefit Plan Measurement (April 17, 2015)
- FASB Issues ASU on Extraordinary Items (January 12, 2015)

Accounting — Other Key Developments

- FASB Proposes to Change the Effective Date and Transition Guidance in Certain Private-Company ASUs (October 6, 2015)
- FASB Finalizing Credit Impairment Guidance (March 13, 2015)
- FASB Preparing to Issue "New" Classification and Measurement Guidance (February 2, 2015)

Auditing Developments

- A Summary of the November 12–13 Meeting of the PCAOB's Standing Advisory Group (December 10, 2015)
- A Summary of the June 18 Meeting of the PCAOB's Standing Advisory Group (July 1, 2015)
- SEC and PCAOB Take Steps Toward Enhancing Audit Committee and Auditor Disclosures (July 15, 2015)

Regulatory and Compliance Developments

- SEC Seeks Input on Regulation S-X and Required Financial Information About Certain Entities Other Than the Registrant (October 6, 2015)
- Anticipating the Independent Private Sector Audit After the Year 2 Conflict Minerals Reporting Cycle (August 25, 2015)

Roadmap Series

- *Consolidation — a Roadmap to Identifying a Controlling Financial Interest* (December 10, 2015)
- *A Roadmap to Accounting for Share-Based Payment Awards* (April 7, 2015)
- *Revenue From Contracts With Customers: A Roadmap to Applying the Guidance in ASU 2014-09* (February 18, 2015)
- *A Roadmap to Accounting for Income Taxes* (January 30, 2015)

Industry Publications

- *Power & Utilities Spotlight*, Risk at the Core of Key Strategic Decision Making (November 24, 2015)
- *Banking & Securities — Accounting and Financial Reporting Update (2015)* (November 18, 2015)
- *Oil & Gas Spotlight*, Opening Its Borders for Competition: Roadmap to Mexican Energy Reform (July 14, 2015)
- *Financial Services Spotlight*, Consolidating Collateralized Financing Entities (May 26, 2015)
- *Insurance Spotlight*, FASB Issues New Disclosure Requirements for Short-Duration Insurance Contracts (May 26, 2015)
- *Power & Utilities Spotlight*, Transitioning ERM Capabilities to a New Level (May 4, 2015)
- *State Government Spotlight*, GASB Issues Statement on Fair Value (March 3, 2015)
- *Oil & Gas Spotlight*, Navigating the Changing Oil and Gas Landscape (January 27, 2015)
- *Oil & Gas — Accounting, Financial Reporting, and Tax Update* (January 14, 2015)

Power & Utilities — Accounting, Financial Reporting, and Tax Update (January 15, 2015)

Life Sciences — Accounting and Financial Reporting Update (March 9, 2015)

Accounting for Income Taxes

Quarterly Hot Topics: September 2015

Quarterly Hot Topics: June 2015

Quarterly Hot Topics: March 2015

Financial Reporting Alert

15-4: Financial Reporting Considerations Related to Pension and Other Postretirement Benefits (October 30, 2015)

15-3: Employers' Accounting for Defined Benefit Plans — Alternatives for Applying Discount Rates to Measure Benefit Cost (September 28, 2015)

15-2: Financial Reporting Implications Related to Regions Experiencing Economic Struggles (Originally issued July 20, 2015; Updated September 28, 2015)

15-1: Foreign Currency Exchange Accounting Implications of Recent Government Actions in Venezuela (April 16, 2015)

TRG Snapshot

Joint Meeting on Revenue (November 2015)

Joint Meeting on Revenue (July 2015)

Joint Meeting on Revenue (March 2015)

Joint Meeting on Revenue (January 2015)

SEC Comment Letter Publication

SEC Comment Letters — Including Industry Insights: What "Edgar" Told Us (Ninth Edition)

Appendix B: Current Status of FASB Projects

This appendix summarizes the objectives,[1] current status, and next steps for the FASB's active standard-setting projects (excluding research initiatives).

Project	Description	Status and Next Steps
Recognition and Measurement Projects		
Accounting for financial instruments	This project consists of three phases: (1) classification and measurement, (2) impairment, and (3) hedging. The overall purpose of the project is to "significantly improve the decision usefulness of financial instrument reporting for users of financial statements. [The FASB believes] that simplification of the accounting requirements for financial instruments should be an outcome of this improvement."	**Classification and Measurement** The FASB has completed its deliberations of targeted improvements to the classification and measurement of financial instruments under U.S. GAAP. The Board has tentatively decided that entities would apply current classification and measurement models for financial assets and financial liabilities, except for investments in equity securities, which would be measured at fair value with subsequent changes in fair value recognized in net income. For financial liabilities that are measured at fair value under the fair value option in ASC 825, the portion of the total fair value change caused by a change in instrument-specific credit risk would be presented separately in other comprehensive income. At its November 11, 2015, meeting, the Board directed the staff to draft a final standard, which is expected to be issued by the end of the year. For public business entities, the standard will be effective for fiscal years beginning after December 15, 2017, including interim periods therein. For more information, see Deloitte's February 2, 2015, *Heads Up* and November 12, 2015, journal entry. **Impairment** The Board is deliberating aspects of the current expected credit loss model (CECL) that it exposed for comment in 2012. The Board has tentatively decided that an entity should apply the CECL model for financial assets measured at amortized cost and that modifications would be made to existing impairment guidance related to available-for-sale debt securities. At its April 22, 2015, meeting, the Board directed the staff to draft a final ASU, which is expected to be issued during the first quarter of 2016. For public business entities that meet the definition of an SEC filer, the standard will be effective for fiscal years beginning after December 15, 2018, including interim periods therein. For more information, see Deloitte's April 23, 2015, and November 12, 2015, journal entries. **Hedging** The Board is deliberating targeted improvements to the hedge accounting model under U.S. GAAP. At its June 29, 2015, and October 7, 2015, meetings, the Board made a number of tentative decisions that would significantly modify certain aspects of the existing hedge accounting model. The Board directed the staff to draft a proposed ASU, which is expected to be issued during the first quarter of 2016. For more information, see Deloitte's June 30, 2015, and October 16, 2015, journal entries.

[1] The quoted material related to the projects' objectives is from the respective project pages on the FASB's Web site.

Accounting for goodwill for public business entities and not-for-profit entities	The purpose of this project is to "reduce the cost and complexity of the subsequent accounting for goodwill for public business entities and not-for-profit entities."	On October 28, 2015, the FASB decided to split the project into two phases: (1) simplification of the impairment test and (2) addressing additional issues related to subsequent goodwill accounting with the IASB. Further, the Board decided to (1) prohibit not-for-profit entities from using the private-company alternative in ASU 2014-02, (2) require entities to write off all goodwill if a reporting unit has a zero or negative carrying value and it is more likely than not that goodwill is impaired, (3) retain current U.S. GAAP presentation requirements, and (4) require prospective application of the simplified impairment test.
Accounting for identifiable intangible assets in a business combination for public business entities and not-for-profit entities	The purpose of the project is to "evaluate whether certain intangible assets should be subsumed into goodwill, with a focus on customer relationships and noncompete agreements."	At its October 28, 2015, meeting, the FASB staff updated the Board on its research related to the initial recognition of customer-relationship intangible assets and noncompetition agreements. The Board decided to continue the project and directed the staff to perform additional research.
Accounting for income taxes: intra-entity asset transfers and balance sheet classifications of deferred taxes	The purpose of this project is to "simplify accounting for income taxes by: 1. Eliminating the requirement in GAAP for entities that present a classified statement of financial position to classify deferred tax assets and liabilities as current and noncurrent, and instead requiring that they classify all deferred tax assets and liabilities as noncurrent in the statement of financial position. 2. Eliminating the prohibition in GAAP on the recognition of income taxes for the intra-entity differences between the tax basis of the assets in a buyer's tax jurisdiction and their cost as reported in the consolidated financial statements, and instead requiring recognition of the income tax consequences associated with an intra-entity transfer when the transfer occurs."	On October 22, 2014, the FASB tentatively decided that (1) current and deferred tax assets and liabilities related to an intra-entity asset transfer would be recognized and (2) deferred income tax assets and liabilities would be presented as noncurrent in the statement of financial condition. On January 22, 2015, the FASB issued two EDs related to this project. Comments on the EDs were due by May 29, 2015. At its October 7, 2015, meeting, the Board discussed stakeholders' comments on the EDs and instructed the staff to further research the project on intra-entity asset transfers. On November 20, 2015, the FASB issued ASU 2015-17, which requires entities that present a classified balance sheet to classify all deferred taxes as noncurrent assets or noncurrent liabilities. For public companies, the ASU is effective for annual periods beginning after December 15, 2016, with early adoption permitted. For more information, see Deloitte's November 30, 2015, *Heads Up*.
Clarifying the definition of a business	The purpose of this project is to "clarify the definition of a business with the objective of addressing whether transactions involving in-substance nonfinancial assets (held directly or in a subsidiary) should be accounted for as acquisitions (or disposals) of nonfinancial assets or as acquisitions (or disposals) of businesses. The project will include clarifying the guidance for partial sales or transfers and the corresponding acquisition of partial interests in a nonfinancial asset or assets."	On November 23, 2015, the FASB issued a proposed ASU to help entities evaluate whether to account for transactions as acquisitions (or disposals) of assets or as businesses. Under the proposal, "to be considered a business, a set [of assets and activities] must include, at a minimum, an input and a substantive process that together contribute to the ability to create outputs." Comments on the proposal are due by January 22, 2016. For more information, see Deloitte's December 4, 2015, *Heads Up*. In phase 2 of the project, the FASB will seek to clarify the scope of ASC 610-20 and the accounting for partial sales of nonfinancial assets.
Effect of derivative contract novations on existing hedge accounting relationships (EITF Issue 15-D)	The purpose of this project is to clarify whether and when a novation of a derivative contract that is part of an existing hedge relationship under ASC 815 should result in the dedesignation of the hedging relationship and the discontinuation of hedge accounting.	On August 6, 2015, the FASB issued a proposed ASU related to the project. At its November 12, 2015, meeting, the EITF reached a final consensus that a change in the counterparty to a derivative hedging instrument does not, in and of itself, require dedesignation of the related hedging relationship provided that all other hedge accounting criteria continue to be met. On December 11, 2015, the Board ratified this consensus. The FASB expects to issue the final ASU in the first quarter of 2016. For public business entities, the guidance will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For more information, see Deloitte's June 2015 and November 2015 *EITF Snapshot* newsletters.

Employee share-based payment accounting improvements	The purpose of this project is to "reduce the cost and complexity and to improve the accounting for share-based payment awards issued to employees for public and private companies."	On June 8, 2015, the FASB issued a proposed ASU on share-based payments to simplify several aspects of the accounting for employee share-based payment transactions for both public and nonpublic entities, including the accounting for income taxes, forfeitures, minimum statutory withholding requirements, classification in the statement of cash flows, and classification of awards with repurchase features. At its November 23, 2015, meeting, the FASB discussed feedback received on the proposed ASU and directed the staff to draft a final ASU for vote by written ballot. The FASB affirmed its proposed amendments related to (1) accounting for income taxes upon vesting or settlement of awards, (2) presentation of excess tax benefits in the statement of cash flows, (3) accounting for forfeitures, (4) minimum statutory withholding requirements, (5) presentation of employee taxes paid in the statement of cash flows when an employer withholds shares to meet minimum statutory withholding requirements, and (6) private-company practical expedients related to expected term and intrinsic value. In addition, the FASB made tentative decisions about the transition method, disclosures in the adoption period, disclosures about accounting for forfeitures, and the effective date of the final standard. For public entities, the standard will be effective for annual reporting periods beginning after December 15, 2016, and interim periods within those periods. The final ASU is expected to be issued in the first quarter of 2016. For more information, see Deloitte's June 12, 2015, *Heads Up* and November 30, 2015, journal entry.
Evaluation of contingent put and call options embedded in debt instruments (EITF Issue 15-E)	The purpose of this project is to clarify the guidance on determining "whether the economic characteristics and risks of an embedded put or call option in a debt instrument are clearly and closely related to the economic characteristics and risks of its debt host."	On August 6, 2015, the FASB issued a proposed ASU related to the project. At its November 12, 2015, meeting, the EITF reached a final consensus under which a potential embedded derivative would not fail to be clearly and closely related solely because the exercise of the contingent put or call option is indexed to an extraneous event or factor. On December 11, 2015, the Board ratified this consensus. The FASB expects to issue the final ASU in the first quarter of 2016. For public business entities, the guidance will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For more information, see Deloitte's June 2015 and November 2015 *EITF Snapshot* newsletters.
Insurance: targeted improvements to the accounting for long-duration contracts	The purpose of this project is to "develop targeted improvements to insurance accounting. Those improvements may address recognition, measurement, presentation, and disclosure requirements for long-duration insurance contracts."	The Board is deliberating targeted improvements to the accounting by insurance entities for long-duration insurance contracts under GAAP and has made a number of tentative decisions related to periodic assumption updates, discount rate, participating life insurance contracts, the amortization of deferred acquisition costs, and market risk benefits. For more information, see Deloitte's November 20, 2014; February 19, 2015; July 24, 2015; September 17, 2015; October 29, 2015; and November 20, 2015, journal entries.

Liabilities and equity: targeted improvements	The purpose of this project is to "simplify the accounting guidance related to financial instruments with characteristics of liabilities and equity."	On November 5, 2014, the FASB added this project to its agenda and decided to address certain issues, including (1) determining whether an instrument is indexed to an entity's own stock; (2) the indefinite deferral related to mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests; (3) freestanding contracts indexed to, and potentially settled in, an entity's own stock; and (4) navigating the Codification. On September 16, 2015, the Board tentatively decided to replace (1) the existing guidance on "down round" features in ASC 815-40 with a new accounting model and (2) the indefinite deferrals in ASC 480-10 with scope exceptions that have the same applicability. The proposed ASU is expected to be issued in the first quarter of 2016. For more information, see Deloitte's September 17, 2015, journal entry.
Leases	The purpose of this project is to "increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information."	The Board has completed its redeliberations of the proposals in its May 2013 ED. The FASB has decided on a dual approach for lessee accounting under which "a lessee would account for most existing capital leases as finance leases (that is, recognizing amortization of the right-of-use (ROU) asset separately from interest on the lease liability) and most existing operating leases as operating leases (that is, recognizing a single total lease expense). Both finance leases and operating leases result in the lessee recognizing a ROU asset and a lease liability." At its November 11, 2015, meeting, the Board directed the staff to draft a final ASU for a vote by written ballot. For public business entities, the new leases standard would be effective for annual periods beginning after December 15, 2018 (i.e., calendar periods beginning on January 1, 2019), and interim periods therein. Early adoption would be permitted for all entities. The final standard is expected to be issued in early 2016. For more information, see Deloitte's August 28, 2014; October 23, 2014; December 16, 2014; January 23, 2015; February 26, 2015; May 13, 2015; October 8, 2015; and November 12, 2015, journal entries.
Private companies: effective date and transition guidance (PCC Issue 15-01)	The purpose of this project is to consider whether (1) "private companies should be required to assess preferability when electing a [PCC] alternative" and (2) "transition guidance should be extended beyond the effective date for adopting [PCC alternatives]."	On September 30, 2015, the FASB issued a proposed ASU. At its December 4, 2015, meeting, the PCC reached a final consensus to approve the issuance of a final standard that would remove the effective dates from ASUs 2014-02, 2014-03, 2014-07, and 2014-18. Thus, these ASUs would become effective immediately. Further, "private companies would be able to forgo a preferability assessment the first time they elect the accounting alternatives" in those ASUs. On December 16, 2015, the Board ratified the consensus.
Private companies: applying variable interest entity guidance to entities under common control (PCC Issue 15-02)	The purpose of the project is to develop examples of situations where entities under common control would apply variable interest entity guidance.	At its December 4, 2015, meeting, the PCC voted to add a project to address concerns with the application of the variable interest entity guidance to entities under common control that are not already addressed in ASC 810. For more information, see the PCC"s agenda decision.

Recognition of breakage for prepaid stored-value cards (EITF Issue 15-B)	The purpose of this project is to address "whether and when an entity should derecognize a prepaid card liability that exists before redemption of the card at a third-party merchant."	On April 30, 2015, the FASB issued an ED related to this project. Comments were due by June 29, 2015. At its November 12, 2015, meeting, the EITF reached a final consensus to provide a narrow-scope exception to the derecognition guidance in ASC 405-20 under which breakage on an entity's liability for prepaid stored-value products would be accounted for in a manner consistent with revenue transactions under ASC 606. On December 11, 2015, the Board ratified this consensus. The FASB expects to issue the final ASU in the first quarter of 2016. For public business entities, the guidance will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For more information, see Deloitte's March 2015, September 2015, and November 2015 *EITF Snapshot* newsletters.
Revenue recognition: identifying performance obligations and licenses	The purpose of this project is to clarify the guidance in ASC 606 related to identifying performance obligations and accounting for a license of intellectual property (IP).	On May 12, 2015, the FASB issued a proposed ASU that would amend the guidance on identifying performance obligations and the implementation guidance on licenses of IP. Comments on the proposal were due by June 30, 2015. On October 5, 2015, the FASB redeliberated the issues. Regarding the identification of performance obligations, the Board made tentative decisions related to (1) identifying promised goods or services that would be subject to the separation guidance, (2) application of the distinct guidance, (3) accounting for shipping and handling activities, (4) the series provision, and (5) disclosure of the transaction price allocated to remaining performance obligations. Regarding IP licenses, the Board made tentative decisions related to (1) determining the nature of an entity's promise in granting a license (i.e., functional or symbolic), (2) when an entity should determine the nature of its promise in granting a license, (3) sales-based and usage-based royalties, and (4) contractual restrictions in licensing arrangements. The effective date and transition provisions would be aligned with the requirements of ASC 606. The final standard is expected to be issued in the fourth quarter of 2015. For more information, see Deloitte's May 13, 2015, *Heads Up*, and October 8, 2015, journal entry.
Revenue recognition: narrow-scope improvements and practical expedients	The purpose of this project is to provide narrow-scope amendments and certain practical expedients to clarify and address implementation issues related to ASC 606.	On September 30, 2015, the FASB issued a proposed ASU that would amend ASC 606 to clarify and provide practical expedients related to certain aspects of the new revenue recognition standard. Specifically, the proposal contains amendments related to (1) assessing the collectibility criterion, (2) presentation of sales taxes and similar taxes collected from the customer, (3) clarification of the measurement date and applicability of variable consideration in noncash consideration transactions, (4) a practical expedient for contract modifications when an entity adopts the new revenue standard, and (5) certain disclosure requirements for entities that elect to use the full retrospective transition method to adopt the new revenue standard. Comments on the proposed ASU were due by November 16, 2015.

Revenue recognition: principal versus agent (reporting revenue gross versus net)	The purpose of this project is to address principal-versus-agent considerations related to revenue recognition under ASC 606.	On August 31, 2015, the FASB issued a proposed ASU that would clarify the implementation guidance on principal-versus-agent considerations in response to concerns raised by stakeholders. The amendments clarify that the principal in a transaction is the entity that transfers the good or service before that good or service is transferred to the customer and provides indicators related to determining whether gross or net revenue presentation is appropriate. Comments on the proposed ASU were due by October 15, 2015. At its December 16, 2015, meeting, the Board discussed stakeholder feedback received and directed the staff to draft a final ASU, which is expected to be issued in the first quarter of 2016. For more information, see Deloitte's June 26, 2015, journal entry and September 1, 2015, *Heads Up*.
Simplifying the transition to the equity method of accounting	The purpose of this project is to simplify the accounting for equity method investments.	On June 5, 2015, the FASB issued a proposed ASU on equity method accounting as part of its simplification initiative. The proposal would amend the accounting for equity method investments, eliminating the requirements for an investor to (1) account for basis differences related to its equity method investees and (2) retroactively account for an investment that becomes newly qualified for use of the equity method because of an increased ownership interest as if the equity method had been applied during all previous periods in which the investment was held. At its November 19, 2015, meeting, the FASB directed its staff to draft a final standard that eliminates the requirement that an entity retrospectively adopt the equity method when an investment first qualifies for the equity method as a result of an increase in the level of ownership interest. The standard will be effective for fiscal years beginning after December 15, 2016; early adoption will be permitted. The FASB is expected to issue the final ASU in the first quarter of 2016. For more information, see Deloitte's June 16, 2015, *Heads Up* and November 20, 2015, journal entry.
Technical corrections and improvements	The purpose of this project is to "provide regular updates and improvements to the [Codification] based on feedback received from constituents."	The staff is working on developing the next ED on technical corrections and improvements.
Presentation and Disclosure Projects		
Accounting for interest income associated with the purchase of callable debt securities	This project aims "to enhance the transparency and usefulness of the information provided in the notes to the financial statements about interest income on purchased debt securities and loans" and "will also consider targeted improvements regarding the accounting for the amortization of premiums for purchased callable debt securities."	At its March 18, 2015, meeting, the FASB added this project to its agenda. On September 16, 2015, the Board tentatively decided that for purchased callable debt securities, (1) premiums would be amortized to the first call date and (2) discounts would be amortized to the maturity date. For more information, see Deloitte's March 23, 2015, and September 17, 2015, journal entries.

Clarifying certain existing principles related to the statement of cash flows (EITF Issue 15-F)	The purpose of this project is "to reduce diversity in practice in financial reporting by clarifying certain existing principles in [ASC 230], including providing additional guidance on how and what an entity should consider in determining the classification of certain cash flows."	At its November 12, 2015, meeting, the EITF reached a consensus-for-exposure the classification in the statement of cash flows of cash receipts and cash payments related to (1) debt prepayments or extinguishment costs, (2) settlement of zero-coupon bonds, (3) settlement of contingent consideration after a business combination, (4) proceeds from the settlement of insurance claims, (5) proceeds from the settlement of corporate-owned life insurance policies, (6) distributions from equity method investees, and (7) payments on a transferor's beneficial interests in securitized trade receivables. The EITF also reached a consensus-for-exposure to provide additional application guidance on the classification of cash flows. On December 11, 2015, the Board ratified this consensus-for-exposure. The FASB expects to issue a proposed ASU in the first quarter of 2016. For more information, see Deloitte's June 2015, September 2015, and November 2015 *EITF Snapshot* newsletters.
Conceptual framework: presentation and measurement	The objective of the conceptual framework project is to develop an improved conceptual framework that provides a sound foundation for developing future accounting standards. The FASB will look at different aspects of conceptual framework separately, starting with presentation and measurement followed by the liability-equity distinction.	Beginning in 2014, the Board has deliberated presentation and measurement concepts, such as factors for aggregating individual assets, liabilities, equity, revenues, expenses, gains, and losses into line items, principles for subtotals, methods of determining initial carrying amounts and changes in carrying amounts. At its December 16, 2015, meeting, the FASB continued its discussion of how to determine initial carrying amounts and changes in carrying amounts.
Disclosure framework	The disclosure framework project consists of two phases: (1) the FASB's decision process and (2) the entity's decision process. The overall objective of the project is to "improve the effectiveness of disclosures in notes to financial statements by clearly communicating the information that is most important to users of each entity's financial statements. (Although reducing the volume of the notes to financial statements is not the primary focus, the Board hopes that a sharper focus on important information will result in reduced volume in most cases.)"	**FASB's Decision Process** On March 4, 2014, the FASB issued an ED of a proposed concepts statement that would add a new chapter to the Board's conceptual framework for financial reporting that contains a decision process for the Board and its staff to use in determining what disclosures should be required in notes to financial statements. Comments on the ED were due by July 14, 2014. For more information, see Deloitte's March 6, 2014, *Heads Up*. On September 24, 2015, the FASB issued an ED of proposed amendments to chapter 3 of Concepts Statement 8 that would add a statement that materiality is a legal concept and include a brief summary of the U.S. Supreme Court's definition of materiality. **Entity's Decision Process** On September 24, 2015, the FASB issued a proposed ASU that would amend the Codification to indicate that the omission of disclosures about immaterial information is not an accounting error. The proposal notes that materiality is a legal concept that should be applied to assess quantitative and qualitative disclosures individually and in the aggregate in the context of the financial statements taken as a whole. For more information, see Deloitte's September 28, 2015, *Heads Up*.
Disclosure framework: disclosure review — defined benefit plans	The purpose of this project is to improve the effectiveness of disclosure requirements that apply to defined benefit plans.	At its November 2, 2015, meeting, the FASB decided that nonpublic entities that sponsor a defined benefit plan would be required to disclose the "effects of a one-percentage-point change in assumed health care cost trend rates on the (a) aggregate of the service and interest cost components of net periodic benefit costs and (b) benefit obligation for postretirement health care benefits" in the sponsor's financial statements. The FASB expects to issue a proposed ASU in the fourth quarter of 2015.

Disclosure framework: disclosure review — fair value measurement	The purpose of this project is to improve the effectiveness of fair value measurement disclosures.	At its February 18, 2015, meeting, the FASB discussed disclosure issues related to the fair value measurement guidance in ASC 820 and tentatively decided to add a disclosure objective to its proposed concepts statement on the conceptual framework. For more information, see Deloitte's February 20, 2015, journal entry. At its October 7, 2015, meeting, the FASB made tentative decisions related to Level 3 fair value measurement disclosures, including (1) the qualitative information regarding sensitivity of unobservable inputs would be evaluated as of the reporting date and would not include information about sensitivity to future changes, (2) the quantitative information related to significant unobservable inputs would include the range and weighted average of the unobservable inputs used, and (3) entities would disclose the time periods used to develop significant unobservable inputs that are based on historical data. The guidance related to unrealized gains and losses and items (1) and (2) above would be applied prospectively. All other amendments would be applied retrospectively. The Board's tentative decisions in (1), (2), and (3) above would not apply to private companies. On December 3, 2015, the FASB issued a proposed ASU related to this project. Comments are due by February 29, 2016. For more information, see Deloitte's December 8, 2015, *Heads Up*.
Disclosure framework: disclosure review — income taxes	The purpose of this project is to improve the effectiveness of income tax disclosures.	At its February 11, 2015, meeting, the FASB deliberated additional proposed disclosure requirements related to undistributed foreign earnings. The Board directed the staff to prepare examples of the proposed additional disclosures. For more information, see Deloitte's February 12, 2015, journal entry. At its October 21, 2015, meeting, the FASB made tentative decisions regarding income tax disclosures, including (1) income taxes paid, (2) deferred income taxes, (3) valuation allowances, and (4) income tax rate reconciliations. For more information, see Deloitte's August 28, 2015, and October 26, 2015, journal entries.
Disclosure framework — interim reporting	The purpose of this project is to improve the effectiveness of interim disclosures.	At its May 28, 2014, meeting, the FASB decided to amend ASC 270 "to reflect that disclosures about matters required to be set forth in annual financial statements should be provided on an updated basis in the interim report if there is a substantial likelihood that the updated information would be viewed by a reasonable investor as significantly altering the 'total mix' of information available to the investor."
Disclosure framework — inventory	The purpose of this project is to improve the effectiveness of inventory disclosures.	On January 7, 2015, the FASB directed its staff "to begin pre-agenda research on a potential project related to disclosure requirements for [ASC] 705 and other Topics containing guidance on cost of sales or services when staff resources become available."

Financial statements of not-for-profit entities	The purpose of this project is to "reexamine existing standards for financial statement presentation by not-for-profit entities, focusing on improving: 1. Net asset classification requirements 2. Information provided in financial statements and notes about liquidity, financial performance, and cash flows."	The FASB issued an ED on April 22, 2015. Comments were due by August 20, 2015. On October 28, 2015, the FASB discussed feedback received on the ED and tentatively decided to split its redeliberations into two workstreams: (1) issues that do not depend on other projects and that the Board would consider finalizing in the near term and (2) proposed changes that the Board would most likely need more time to resolve. For more information, see Deloitte's May 8, 2015, *Heads Up*. On December 11, 2015, the FASB made tentative decisions related to methods of presenting operating cash flows, the net asset classification scheme and related issues, and the provision of useful information for assessing liquidity.
Government assistance disclosures	The purpose of this project is to "develop disclosure requirements about government assistance that improves the content, quality and comparability of financial information and financial statements and that is responsive to the emerging issues in the changing financial and economic environment in which reporting entities operate."	On November 12, 2015, the FASB issued a proposed ASU that would increase financial reporting transparency by requiring specific disclosures about government assistance received by businesses. Government assistance arrangements are legally enforceable agreements under which the government provides value to the entity (e.g., grants, loan guarantees, and tax incentives). The objective of the proposed disclosure requirements is to enable financial statement users to better assess (1) the nature of the government assistance, (2) the accounting policies for the government assistance, (3) the impact of the government assistance on the financial statements, and (4) the significant terms and conditions of the government assistance arrangements. Comments on the proposed ASU are due by February 10, 2016. For more information, see Deloitte's November 20, 2015, *Heads Up*.
Improving the presentation of net periodic pension cost and net periodic postretirement benefit cost	The purpose of this project is to "simplify and improve the reporting of net periodic pension cost and net periodic postretirement benefit cost ('net benefit cost')."	At its November 2, 2015, meeting, the Board discussed feedback received on the external review draft of its proposal related to this project. Topics on which reviewers commented included (1) "presentation of prior service cost[s] or credit," (2) "capitalization of net benefit cost for a rate-regulated entity," and (3) "separate line item or items outside operating items, if applicable." The Board directed the staff to clarify the guidance related to the issues raised by stakeholders. The FASB expects to issue a proposed ASU in the fourth quarter of 2015.

Simplifying the balance sheet classification of debt	The purpose of this project is to "reduce cost and complexity by replacing the fact-pattern specific guidance in GAAP with a principle to classify debt as current or noncurrent based on the contractual terms of a debt arrangement and an entity's current compliance with debt covenants."	At its January 28, 2015, meeting, the FASB tentatively decided to propose a new, principles-oriented approach for classifying debt as either current or noncurrent in an entity's balance sheet. Further, the Board tentatively decided that an entity should classify debt as noncurrent when either or both of the following conditions are met: (1) the "liability is due to be settled more than 12 months (or beyond the operating cycle)" — whichever is greater — "after the reporting period" or (2) "the entity has a right to defer settlement of the liability for at least 12 months (or beyond its operating cycle [whichever is greater]) after the reporting period." The Board also decided that the meaning of "right to defer" would be based on contractual legal rights rather than on the intentions of the borrower or lender. The presentation assessment would be performed as of the reporting date. At its July 29, 2015, meeting, the FASB made tentative decisions related to scope, subjective acceleration clauses, waivers of debt covenant violations, recurring disclosures, and transition. In addition, the Board directed the staff to prepare a proposed ASU for a vote by written ballot. The FASB expects to publish the proposed ASU in the first quarter of 2016. For more information, see Deloitte's January 29, 2015, and July 30, 2015, journal entries.

Appendix C: Significant Adoption Dates and Deadlines

The chart below illustrates significant adoption dates and deadline dates for FASB/EITF, AICPA, SEC, PCAOB, GASB, FASAB, and IASB/IFRIC standards and proposals. Content recently added or revised is highlighted in green.

FASB/EITF	Affects	Status
Final Guidance		
ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* (issued November 20, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the amendments in the ASU are effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early application is permitted for all entities as of the beginning of an interim or annual reporting period.
ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments* (issued September 25, 2015)	Entities that have reported provisional amounts for items in a business combination for which the accounting is incomplete by the end of the reporting period in which the combination occurs and during the measurement period have an adjustment to provisional amounts recognized.	For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The amendments in the ASU should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the ASU; early adoption is permitted for financial statements that have not been issued. For all other entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments in the ASU should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the ASU; early adoption is permitted for financial statements that have not yet been made available for issuance.
ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements: Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting* (issued August 18, 2015)	SEC registrants.	Effective upon issuance.
ASU 2015-14, *Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date* (issued August 12, 2015)	All entities.	See status column for ASU 2014-09 below.
ASU 2015-13, *Application of the Normal Purchases and Normal Sales Scope Exception to Certain Electricity Contracts Within Nodal Energy Markets* — a consensus of the FASB Emerging Issues Task Force (issued August 10, 2015)	All entities.	The amendments in the ASU are effective upon issuance and should be applied prospectively. Therefore, an entity will be able to designate, on or after the date of issuance, any qualifying contracts as normal purchases or normal sales.
ASU 2015-12, *(Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient* — consensuses of the FASB Emerging Issues Task Force (issued July 31, 2015)	Applies only to reporting entities within the scope of ASC 962 and ASC 965 that classify investments as fully benefit-responsive investment contracts.	Effective for fiscal years beginning after December 15, 2015. Parts I and II of the ASU should be applied retrospectively to all periods presented. Part III of the ASU should be applied prospectively. Earlier application is permitted.

ASU 2015-11, *Simplifying the Measurement of Inventory* (issued July 22, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments in the ASU should be applied prospectively, with earlier application permitted as of the beginning of an interim or annual reporting period.
ASU 2015-10, *Technical Corrections and Improvements* (issued June 12, 2015)	All entities.	Amendments requiring transition guidance are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. All other amendments became effective upon issuance of the ASU.
ASU 2015-09, *Disclosures About Short-Duration Contracts* (issued May 21, 2015)	All insurance entities that issue short-duration contracts as defined in ASC 944. The amendments do not apply to the holder (i.e., policyholder) of short-duration contracts.	For public business entities, the amendments in the ASU are effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016. For all other entities, the amendments in the ASU are effective for annual periods beginning after December 15, 2016, and interim periods within annual periods beginning after December 15, 2017. Early application is permitted.
ASU 2015-08, *Pushdown Accounting: Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115* (issued May 8, 2015)	All entities.	Effective upon issuance.
ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* — a consensus of the FASB Emerging Issues Task Force (issued May 1, 2015)	All entities.	For public companies, the guidance in the ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The effective date will be deferred by one year for private companies. Early adoption is permitted. The ASU should be applied retrospectively to all periods presented.
ASU 2015-06, *Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions* — a consensus of the FASB Emerging Issues Task Force (issued April 30, 2015)	All entities.	Effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. Early adoption is permitted. The ASU should be applied retrospectively to all financial statements presented.
ASU 2015-05, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* (issued April 15, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. For all other entities, the amendments are effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016. Early adoption is permitted for all entities.
ASU 2015-04, *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets* (issued April 15, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early application is permitted.

ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (issued April 7, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued.
ASU 2015-02, *Amendments to the Consolidation Analysis* (issued February 18, 2015)	Entities that are required to evaluate whether they should consolidate certain legal entities.	For public business entities, the amendments in the ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption, including adoption in an interim period, is permitted.
ASU 2015-01, *Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items* (issued January 9, 2015)	All entities.	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption.
ASU 2014-18, *Accounting for Identifiable Intangible Assets in a Business Combination* — a consensus of the Private Company Council (issued December 23, 2014)	All entities except public business entities and not-for-profit entities, as those terms are defined in the Codification Master Glossary.	The effective date depends on the timing of the first in-scope transaction. If the first in-scope transaction occurs in the first fiscal year beginning after December 15, 2015, the elective adoption will be effective for that fiscal year's annual financial reporting and all interim and annual periods thereafter. If the first in-scope transaction occurs in fiscal years beginning after December 15, 2016, the elective adoption will be effective in the interim period that includes the date of that transaction and subsequent interim and annual periods thereafter. Early application is permitted for any interim and annual financial statements that have not yet been made available for issuance.
ASU 2014-16, *Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity* — a consensus of the FASB Emerging Issues Task Force (issued November 3, 2014)	Entities that are issuers of, or investors in, hybrid financial instruments that are issued in the form of a share.	For public business entities, the amendments in the ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption, including adoption in an interim period, is permitted.
ASU 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern* (issued August 27, 2014)	All entities.	Effective for annual periods ending after December 15, 2016, and interim periods thereafter. Early adoption is permitted.
ASU 2014-14, *Classification of Certain Government-Guaranteed Mortgage Loans Upon Foreclosure* — a consensus of the FASB Emerging Issues Task Force (issued August 8, 2014)	Creditors that hold government-guaranteed mortgage loans, including those guaranteed by the Federal Housing Administration and the U.S. Department of Veterans Affairs.	For public business entities, the amendments in the ASU are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For all other entities, the amendments are effective for annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Early adoption, including adoption in an interim period, is permitted if the entity already has adopted ASU 2014-04.

ASU 2014-13, *Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity* — a consensus of the FASB Emerging Issues Task Force (issued August 5, 2014)	A reporting entity that is required to consolidate a collateralized financing entity under the variable interest entities subsections of ASC 810-10 when (1) the reporting entity measures all of the financial assets and the financial liabilities of that consolidated collateralized financing entity at fair value in the consolidated financial statements on the basis of other Codification topics and (2) the changes in the fair values of those financial assets and financial liabilities are reflected in earnings.	For public business entities, the amendments in the ASU are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. For all other entities, the amendments are effective for annual periods ending after December 15, 2016, and interim periods beginning after December 15, 2016. Early adoption is permitted as of the beginning of an annual period.
ASU 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period* — a consensus of the FASB Emerging Issues Task Force (issued June 19, 2014)	Reporting entities that grant their employees share-based payments in which the terms of the award stipulate that a performance target that affects vesting could be achieved after the requisite service period.	Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted. The effective date for public business entities is the same as that for all other entities.
ASU 2014-11, *Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures* (issued June 12, 2014)	Entities that enter into repurchase-to-maturity transactions or repurchase financings.	For public business entities, the accounting changes in the ASU are effective for the first interim or annual period beginning after December 15, 2014. For all other entities, the accounting changes are effective for annual periods beginning after December 15, 2014, and interim periods beginning after December 15, 2015. Early application for a public business entity is prohibited; however, all other entities may elect to apply the requirements for interim periods beginning after December 15, 2014.
ASU 2014-10, *Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* (issued June 10, 2014)	Development-stage entities under U.S. GAAP, and reporting entities that may hold an interest in an entity that is a development-stage entity.	For public entities, the ASU is effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. For other entities, the ASU is effective for annual reporting periods beginning after December 15, 2014, and interim reporting periods beginning after December 15, 2015. For public business entities, the amendment eliminating the exception to the sufficiency-of-equity-at-risk criterion for development-stage entities in ASC 810-10-15-16 should be applied retrospectively for annual reporting periods beginning after December 15, 2015, and interim periods therein. For all other entities, the amendments to ASC 810 should be applied retrospectively for annual reporting periods beginning after December 15, 2016, and interim reporting periods beginning after December 15, 2017. Early application is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been made available for issuance.

ASU 2014-09, *Revenue From Contracts With Customers* (issued May 28, 2014; effective date amended by ASU 2015-14, which was issued August 12, 2015)	All entities.	For public business entities, certain not-for-profit entities, and certain employee benefit plans, the ASU is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early application is permitted only as of annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016. For all other entities, the ASU is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. All other entities may apply the ASU early as of an annual reporting period beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities also may apply the guidance in the ASU early as of an annual reporting period beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the annual reporting period in which the entity first applies the guidance in the ASU.
ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* (issued April 10, 2014)	Entities that have either of the following: 1. A component of an entity that either is disposed of or meets the criteria in ASC 205-20-45-1E to be classified as held for sale. 2. A business or nonprofit activity that, on acquisition, meets the criteria in ASC 205-20-45-1E to be classified as held for sale.	For public business entities the ASU applies prospectively to all disposals (or classifications as held for sale) that occur in annual periods (and interim periods therein) beginning on or after December 15, 2014. For all other entities, the ASU is effective prospectively for annual periods beginning on or after December 15, 2014, and interim periods thereafter. Early adoption is permitted for any annual or interim period for which an entity's financial statements have not yet been previously issued or made available for issuance.
ASU 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements* — a consensus of the Private Company Council (issued March 20, 2014)	All entities other than public business entities, not-for-profit entities, or employee benefit plans within the scope of ASC 960 through ASC 965.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which an entity's annual or interim financial statements have not yet been made available for issuance.
ASU 2014-05, *Service Concession Arrangements* — a consensus of the FASB Emerging Issues Task Force (issued January 23, 2014)	Operating entities in a service concession arrangement entered into with a public-sector entity grantor when the grantor (1) controls or has the ability to modify or approve the services that the operating entity must provide with the infrastructure, to whom it must provide them, and at what price and (2) controls, through ownership, beneficial entitlement, or otherwise, any residual interest in the infrastructure at the end of the term of the arrangement.	For public business entities, the ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For entities other than public business entities, the ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. The ASU should be applied on a modified retrospective basis to service concession arrangements that exist at the beginning of an entity's fiscal year of adoption.
ASU 2014-04, *Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure* — a consensus of the FASB Emerging Issues Task Force (issued January 17, 2014)	Creditors who obtain physical possession (resulting from an in-substance repossession or foreclosure) of residential real estate property collateralizing a consumer mortgage loan in satisfaction of a receivable.	For public business entities, the ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For entities other than public business entities, the ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015.

ASU 2014-03, *Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps — Simplified Hedge Accounting Approach* — a consensus of the Private Company Council (issued January 16, 2014)	All entities except (1) public business entities and not-for-profit entities as defined in the Master Glossary of the *FASB Accounting Standards Codification*, (2) employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, and (3) financial institutions.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015, with early adoption permitted. Private companies have the option of applying the amendments in this ASU by using either a modified retrospective approach or a full retrospective approach. Early application is permitted for any period for which the entity's financial statements have not yet been made available for issuance.
ASU 2014-02, *Accounting for Goodwill* — a consensus of the Private Company Council (issued January 16, 2014)	All entities except (1) public business entities and not-for-profit entities as defined in the Master Glossary of the *FASB Accounting Standards Codification* and (2) employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting.	The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and new goodwill recognized in annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity's annual or interim financial statements have not yet been made available for issuance.
ASU 2014-01, *Accounting for Investments in Qualified Affordable Housing Projects* — a consensus of the FASB Emerging Issues Task Force (issued January 15, 2014)	For reporting entities that meet the conditions for, and elect to use, the proportional-amortization method to account for investments in qualified affordable housing projects, all amendments in this ASU apply. For reporting entities that do not meet the conditions or do not elect the proportional-amortization method, only the disclosure-related amendments in this ASU apply.	The amendments in this ASU are effective for public business entities for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. For all entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2014, and interim periods within annual reporting periods beginning after December 15, 2015. Early adoption is permitted. The amendments in this ASU should be applied retrospectively to all periods presented.
Projects in Request-for-Comment Stage		
Proposed ASU, *Clarifying the Definition of a Business* (issued November 23, 2015)	All entities.	Comments due January 22, 2016.
Proposed ASU, *Disclosures by Business Entities About Government Assistance* (issued November 12, 2015)	All entities.	Comments due February 10, 2016.
Proposed ASU, *Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement* (issued December 3, 2015)	All entities.	Comments due February 29, 2016.
AICPA	**Affects**	**Status**
Final Guidance		
SAS 130, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements* (issued October 28, 2015)	Auditors that perform integrated audits.	Effective for integrated audits for periods ending on or after December 15, 2016.
SSARS 21, *Statements on Standards for Accounting and Review Services: Clarification and Recodification* (issued October 23, 2014)	Entities that perform accounting and review services.	Effective for reviews, compilations, and engagements to prepare financial statements for periods ending on or after December 15, 2015.
Projects in Request-for-Comment Stage		
Exposure Draft, *Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews — Improving Transparency and Effectiveness of Peer Review* (issued November 10, 2015)	Entities subject to the AICPA's peer review standards.	Comments due January 31, 2016.

Exposure Draft, *Proposed Statements on Standards for Accounting and Review Services: Compilation of Prospective Financial Information, Compilation of Pro Forma Financial Information, Omnibus Statement on Standards for Accounting and Review Services — 2016* (issued December 10, 2015)	All entities.	Comments due May 6, 2016.
Exposure Draft, *Omnibus Proposal* (issued November 25, 2015)	All entities.	Comments due May 16, 2016.

SEC	**Affects**	**Status**
Final Guidance		
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9987) (issued December 11, 2015)	SEC registrants.	Effective 60 days after the date of publication in the *Federal Register*.
Final Rule, *Crowdfunding* (33-9974) (issued October 30, 2015)	SEC registrants.	The final rules and forms are effective May 16, 2016, except that instruction 3 adding part 227 and instruction 15 amending Form ID are effective January 29, 2016.
Final Rule, *Removal of Certain References to Credit Ratings and Amendment to the Issuer Diversification Requirement in the Money Market Fund Rule* (IC-31828) (issued September 16, 2015)	SEC registrants.	Effective October 26, 2015; entities must comply with the final rule by October 14, 2016.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9911) (issued September 15, 2015)	SEC registrants.	Effective October 2, 2015.
Final Rule, *Designation of the Financial Industry Regulatory Authority to Administer Professional Qualification Tests for Associated Persons of Registered Municipal Advisors* (34-75714) (issued August 17, 2015)	SEC registrants.	Effective August 17, 2015.
Final Rule, *Registration Process for Security-Based Swap Dealers and Major Security-Based Swap Participants* (34-75611) (issued August 5, 2015)	Registered security-based swap dealers and registered major security-based swap participants.	Effective October 13, 2015.
Final Rule, *Pay Ratio Disclosure* (33-9877) (issued August 5, 2015)	SEC registrants.	Effective for the first fiscal year beginning on or after January 1, 2017.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9874) (issued August 3, 2015)	SEC registrants.	Effective August 24, 2015.
Final Rule, *Freedom of Information Act Regulations: Fee Schedule, Addition of Appeals Time Frame, and Miscellaneous Administrative Changes* (34-75388) (issued July 8, 2015)	SEC registrants.	Effective August 14, 2015.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9849) (issued June 18, 2015)	SEC registrants.	Effective June 29, 2015.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9773) (issued May 18, 2015)	SEC registrants.	Effective May 26, 2015.
Final Rule, *Adoption of Updated Edgar Filer Manual* (33-9746) (issued April 13, 2015)	SEC registrants.	Effective April 20, 2015.
Final Rule, *Amendments to Regulation A* (33-9741) (issued March 25, 2015)	SEC registrants.	Effective June 19, 2015.
Final Rule, *Security-Based Swap Data Repository Registration, Duties, and Core Principles* (34-74246) (issued February 11, 2015)	Registered security-based swap dealers and registered major security-based swap participants.	Effective May 18, 2015.

Final Rule, *Regulation SBSR — Reporting and Dissemination of Security-Based Swap Information* (34-74244) (issued February 11, 2015)	Registered security-based swap dealers and registered major security-based swap participants.	Effective May 18, 2015.
Final Rule, *Asset-Backed Securities Disclosure and Registration* (33-9720) (issued February 3, 2015)	SEC registrants.	Effective February 6, 2015.
Final Rule, *Regulation Systems Compliance and Integrity* (34-73639) (issued November 19, 2014)	Certain self-regulatory organizations (including registered clearing agencies), alternative trading systems, plan processors, and exempt clearing agencies.	Effective February 3, 2015.
Final Rule, *Credit Risk Retention* (34-73407) (issued October 22, 2014)	SEC registrants.	Effective February 23, 2015. Compliance with the rule with respect to asset-backed securities collateralized by residential mortgages is required beginning December 24, 2015. Compliance with the rule with regard to all other classes of asset-backed securities is required beginning December 24, 2016.
Final Rule, *Nationally Recognized Statistical Rating Organizations* (34-72936) (issued August 27, 2014)	Nationally recognized statistical rating organizations.	Effective November 14, 2014, except that the amendments to Sections 240.17g-3(a)(7) and (b)(2) and Form NRSRO become effective on January 1, 2015, and the amendments to Sections 240.17g-2(a)(9), (b)(13), (b)(14), and (b)(15); 240.17g-5(a)(3)(iii)(E), (c)(6), (c)(7), and (c)(8); 240.17g-7(a) and (b); and Form ABS-15G become effective on June 15, 2015.
Final Rule, *Registration of Municipal Advisors* (34-70462 and 34-71288) (issued September 20, 2013, and January 13, 2014)	Municipal advisers.	Effective July 1, 2014, except that amendatory instruction 11 removing Section 249.1300T becomes effective on January 1, 2015.
Interim Final Temporary Rule, *Extension of Exemptions for Security-Based Swaps* (33-9545) (issued February 5, 2014)	SEC registrants.	Effective February 10, 2014. The expiration dates in Interim Final Rule 240 under the Securities Act of 1933, Interim Final Rules 12a-11 and 12h-1(i) under the Securities Exchange Act of 1934, and Interim Final Rule 4d-12 under the Trust Indenture Act will be extended to February 11, 2017.
Final Interpretation, *Interpretation of the SEC's Whistleblower Rules Under Section 21F of the Securities Exchange Act of 1934* (34-75592) (issued August 4, 2015)	SEC registrants.	Effective August 10, 2015.
Final Interpretation, *Commission Guidance Regarding the Definition of the Terms "Spouse" and "Marriage" Following the Supreme Court's Decision in United States v. Windsor* (33-9850) (issued June 19, 2015)	SEC registrants.	Effective July 1, 2015.
Final Interpretation, *Forward Contracts With Embedded Volumetric Optionality* (34-74936) (issued May 12, 2015)	SEC registrants.	Effective May 18, 2015.
Projects in Request-for-Comment Stage		
Proposed Rule, *Open-End Fund Liquidity Risk Management Programs; Swing Pricing; Re-Opening of Comment Period for Investment Company Reporting Modernization Release* (33-9922) (issued September 22, 2015)	SEC registrants.	Comments due December 27, 2015.
Proposed Rule, *Exemptions to Facilitate Intrastate and Regional Securities Offerings* (33-9973) (issued October 30, 2015)	SEC registrants.	Comments due January 11, 2016.

Proposed Rule, *Disclosure of Payments by Resource Extraction Issuers* (34-76620) (issued December 11, 2015)	SEC registrants.	Comments due January 25, 2016.
Proposed Rule, *Regulation of NMS Stock Alternative Trading Systems* (34-76474) (issued November 18, 2015)	SEC registrants.	Comments due 60 days after the date of publication in the *Federal Register*.
Proposed Rule, *Establishing the Form and Manner With Which Security-Based Swap Data Repositories Must Make Security-Based Swap Data Available to the Commission* (34-76624) (issued December 11, 2015)	SEC registrants.	Comments due 60 days after the date of publication in the *Federal Register*.
Proposed Rule, *Use of Derivatives by Registered Investment Companies and Business Development Companies* (IC-31933) (issued December 11, 2015)	SEC registrants.	Comments due 60 days after the date of publication in the *Federal Register*.
PCAOB	**Affects**	**Status**
Final Guidance		
Release No. 2015-002, *Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Standards and Rules* (issued March 31, 2015)	Auditors of public entities.	Effective December 31, 2016. Auditors may use and reference the reorganized standards before the effective date, since the amendments do not substantively change the standards' requirements.
Release No. 2015-008, *Improving the Transparency of Audits: Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form and Related Amendments to Auditing Standards* (issued December 15, 2015)	Auditors of public entities.	Subject to approval of the new rules and amendments by the SEC, Form AP disclosure regarding the engagement partner will be required for audit reports issued on or after the later of three months after SEC approval of the final rules or January 31, 2017. Disclosure regarding other accounting firms will be required for audit reports issued on or after June 30, 2017.
GASB	**Affects**	**Status**
Final Guidance		
GASB Implementation Guide No. 2015-1 (issued August 27, 2015)	Governmental entities.	Effective for reporting periods beginning after June 15, 2015.
Statement 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* (issued December 11, 2015)	Governmental entities.	Effective for reporting periods beginning after December 15, 2015. Early application is encouraged.
Statement 77, *Tax Abatement Disclosures* (issued August 14, 2015)	Governmental entities.	Effective for financial statements for periods beginning after December 15, 2015. Early application is encouraged.
Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (issued June 29, 2015)	Governmental entities.	Effective for reporting periods beginning after June 15, 2015. Early application is permitted.
Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (issued June 29, 2015)	Governmental entities.	Effective for fiscal years beginning after June 15, 2017. Early application is encouraged.
Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (issued June 29, 2015)	Governmental entities.	Effective for financial statements for fiscal years beginning after June 15, 2016. Early application is encouraged.

Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (issued June 29, 2015)	Governmental entities.	For employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, the Statement is effective for fiscal years beginning after June 15, 2016. For assets accumulated to provide those pensions, the Statement is effective for fiscal years beginning after June 15, 2015. For pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68, the Statement is effective for fiscal years beginning after June 15, 2015. Early application is encouraged.
Statement 72, *Fair Value Measurement and Application* (issued March 2, 2015)	Governmental entities.	Effective for fiscal years beginning after June 15, 2015. Early application is encouraged.
FASAB	**Affects**	**Status**
Final Guidance		
Statement 47, *Reporting Entity* (issued December 23, 2014)	U.S. federal government entities.	Effective for periods beginning after September 30, 2017. Earlier application is prohibited.
Statement 36, *Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government* (issued September 28, 2009)	U.S. federal government entities.	This Statement provides for a phased-in implementation, but early implementation is encouraged. All information will be reported as required supplementary information for the first five years of implementation (fiscal years 2010, 2011, 2012, 2013, and 2014). Beginning in fiscal year 2015, the required information will be presented as a basic financial statement, disclosures, and required supplementary information as designated within the standard.
IASB/IFRIC	**Affects**	**Status**
Final Guidance		
Effective Date of Amendments to IFRS 10 and IAS 28 (issued December 17, 2015)	Entities reporting under IFRSs.	The effective date of the September 2014 amendments to IFRS 10 and IAS 28 is deferred until "a date to be determined by the IASB." The amendments should be applied prospectively.
2015 Amendments to the IFRS for SMEs (issued May 21, 2015)	Small and medium-sized entities reporting under IFRSs.	Effective January 1, 2017.
Disclosure Initiative — amendments to IAS 1 (issued December 18, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. Entities are not required to disclose the information required by paragraphs 28–30 of IAS 8 in relation to these amendments.
Investment Entities: Applying the Consolidation Exception — amendments to IFRS 10, IFRS 12 and IAS 28 (issued December 18, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. If an entity applies those amendments for an earlier period, it must disclose that fact.
Annual Improvements to IFRSs: 2012–2014 Cycle (issued September 25, 2014)	Entities reporting under IFRSs.	Varies for each IFRS affected.
Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture — amendments to IFRS 10 and IAS 28 (issued September 11, 2014)	Entities reporting under IFRSs.	The effective date has been deferred until a "date to be determined by the IASB."
Equity Method in Separate Financial Statements — amendments to IAS 27 (issued August 12, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. An entity must apply the amendments retrospectively in accordance with IAS 8. Earlier application is permitted. If an entity applies the amendments to an earlier period, it must disclose that fact.

IFRS 9, *Financial Instruments* (issued July 24, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
Agriculture: Bearer Plants — amendments to IAS 16 and IAS 41 (issued June 30, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IFRS 15, *Revenue From Contracts With Customers* (issued May 28, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
Clarification of Acceptable Methods of Depreciation and Amortisation — amendments to IAS 16 and IAS 38 (issued May 12, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
Accounting for Acquisitions of Interests in Joint Operations — amendments to IFRS 11 (issued May 6, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IFRS 14, *Regulatory Deferral Accounts* (issued January 30, 2014)	Entities reporting under IFRSs.	Effective January 1, 2016. Earlier application is permitted.
Projects in Request-for-Comment Stage		
IASB Request for Views, *2015 Agenda Consultation* (issued August 11, 2015)	Entities reporting under IFRSs.	Comments due December 31, 2015.
Draft IFRIC Interpretation DI/2015/2, *Foreign Currency Transactions and Advance Consideration* (issued October 21, 2015)	Entities reporting under IFRSs.	Comments due January 19, 2016.
Draft IFRIC Interpretation DI/2015/1, *Uncertainty Over Income Tax Treatments* (issued October 21, 2015)	Entities reporting under IFRSs.	Comments due January 19, 2016.
IFRS Foundation Invitation to Comment, *IFRS Taxonomy Due Process* (issued November 5, 2015)	Entities reporting under IFRSs.	Comments due February 3, 2016.
IASB Exposure Draft ED/2015/11, *Applying IFRS 9 Financial Instruments With IFRS 4 Insurance Contracts* — proposed amendments to IFRS 4 (issued December 9, 2015)	Entities reporting under IFRSs.	Comments due February 8, 2016.
IASB Exposure Draft ED/2015/10, *Annual Improvements to IFRSs 2014–2016 Cycle* (issued November 19, 2015)	Entities reporting under IFRSs.	Comments due February 17, 2016.
IASB Exposure Draft ED/2015/8, *IFRS Practice Statement: Application of Materiality to Financial Statements* (issued October 28, 2015)	Entities reporting under IFRSs.	Comments due February 26, 2016.
IASB Exposure Draft ED/2015/9, *Transfers of Investment Property — Proposed Amendment to IAS 40* (issued November 19, 2015)	Entities reporting under IFRSs.	Comments due March 18, 2016.

Appendix D: Glossary of Standards and Other Literature

FASB Accounting Standards Update No. 2015-17, *Balance Sheet Classification of Deferred Taxes*

FASB Accounting Standards Update No. 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments*

FASB Accounting Standards Update No. 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements: Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting*

FASB Accounting Standards Update No. 2015-14, *Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date*

FASB Accounting Standards Update No. 2015-13, *Application of the Normal Purchases and Normal Sales Scope Exception to Certain Electricity Contracts Within Nodal Energy Markets* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2015-12, *(Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*

FASB Accounting Standards Update No. 2015-11, *Simplifying the Measurement of Inventory*

FASB Accounting Standards Update No. 2015-10, *Technical Corrections and Improvements*

FASB Accounting Standards Update No. 2015-09, *Disclosures About Short-Duration Contracts*

FASB Accounting Standards Update No. 2015-08, *Pushdown Accounting: Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115*

FASB Accounting Standards Update No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2015-06, *Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2015-05, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*

FASB Accounting Standards Update No. 2015-04, *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets*

FASB Accounting Standards Update No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*

FASB Accounting Standards Update No. 2015-02, *Amendments to the Consolidation Analysis*

FASB Accounting Standards Update No. 2015-01, *Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*

FASB Accounting Standards Update No. 2014-17, *Pushdown Accounting* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern*

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

FASB Accounting Standards Update No. 2009-17, *Improvements to Financial Reporting by Enterprises Involved With Variable Interest Entities*

FASB Accounting Standards Codification Topic 944, *Financial Services — Insurance*

FASB Accounting Standards Codification Topic 820, *Fair Value Measurement*

FASB Accounting Standards Codification Topic 815, *Derivatives and Hedging*

FASB Accounting Standards Codification Topic 810, *Consolidation*

FASB Accounting Standards Codification Topic 715, *Compensation — Retirement Benefits*

FASB Accounting Standards Codification Subtopic 985-605, *Software: Revenue Recognition*

FASB Accounting Standards Codification Topic 835-30, *Interest: Imputation of Interest*

FASB Accounting Standards Codification Subtopic 805-50, *Business Combinations: Related Issues*

FASB Accounting Standards Codification Subtopic 350-40, *Intangibles — Goodwill and Other: Internal-Use Software*

FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements*

FASB U.S. GAAP Financial Reporting Taxonomy Implementation Guide, *Disposal Groups and Discontinued Operations*

FASB U.S. GAAP Financial Reporting Taxonomy Implementation Guide, *Insurance: Concentration of Credit Risk Disclosures*

FASB U.S. GAAP Financial Reporting Taxonomy Implementation Guide, *Liquidation Basis of Accounting*

FASB U.S. GAAP Financial Reporting Taxonomy Implementation Guide, *Measurement Date Practical Expedient for Defined Benefit Plans*

FASB U.S. GAAP Financial Reporting Taxonomy Implementation Guide, *Segment Reporting*

FAF Final Report, *Three-Year Review of the Private Company Council*

AICPA Statement on Auditing Standards No. 130, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*

AICPA Statement on Auditing Standards No. 122, *Statements on Auditing Standards: Clarification and Recodification*

AICPA *Professional Standards*, AU-C Section 9570, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern: Auditing Interpretations of AU-C Section 570"

AICPA *Professional Standards*, AU-C Section 610, "Using the Work of Internal Auditors"

AICPA *Professional Standard*s, AU-C Section 570, "The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern"

AICPA *Professional Standards*, AT Section 9201, "Agreed-Upon Procedures Engagements: Attest Engagements Interpretation of AR Section 201"

AICPA *Professional Standards*, AT Section 501, "An Examination of an Entity's Internal Control Over Financial Reporting That Is Integrated With an Audit of Its Financial Statements"

AICPA *Professional Standard*s, AT Section 201, "Agreed-Upon Procedures Engagements"

AICPA *Professional Standards*, AR Section 120, "Compilation of Pro Forma Financial Information"

AICPA Technical Practice Aids, TIS Section 9180.01, "Required Supplementary Information in Historical Prior Periods and Auditor Independence of the Entity"

AICPA Interpretation No. 2 of AU-C Section 700, "Sustainability Financial Statements Under Federal Financial Accounting Standards"

AICPA Interpretation No. 1 of AT Section 501, "Reporting Under Section 112 of the Federal Deposit Insurance Corporation Improvement Act"

AICPA Exposure Draft, *Proposed Statements on Standards for Accounting and Review Services: Compilation of Prospective Financial Information, Compilation of Pro Forma Financial Information, Omnibus Statement on Standards for Accounting and Review Services — 2016*

CAQ Alert 2015-07, *Select Auditing Considerations for the 2015 Audit Cycle*

CAQ Companion Alert, *Select Considerations for the 2015 Audit Cycle for Brokers and Dealers*

CAQ and Audit Analytics Report, *Audit Committee Transparency Barometer*

CAQ and IIA Report, *Intersecting Roles — Fostering Effective Working Relationships Among External Audit, Internal Audit, and the Audit Committee*

CFA Institute Report, *Addressing Financial Reporting Complexity: Investor Perspectives*

SEC Regulation S-K, Item 10(e), "Use of Non-GAAP Financial Measures in Commission Filings"

SEC Staff Accounting Bulletin Topic 5.J, "New Basis of Accounting Required in Certain Circumstances"

SEC Final Rule Release No. 34-75611, *Registration Process for Security-Based Swap Dealers and Major Security-Based Swap Participants*

SEC Final Rule Release No. 34-74246, *Security-Based Swap Data Repository Registration, Duties, and Core Principles*

SEC Final Rule Release No. 34-74244, *Regulation SBSR — Reporting and Dissemination of Security-Based Swap Information*

SEC Final Rule Release No. 34-72936, *Nationally Recognized Statistical Rating Organizations*

SEC Final Rule Release No. 34-67716, *Conflict Minerals*

SEC Final Rule Release No. 33-9974, *Crowdfunding*

SEC Final Rule Release No. 33-9877, *Pay Ratio Disclosure*

SEC Final Rule Release No. 33-9741, *Amendments for Small and Additional Issues Exemptions Under the Securities Act (Regulation A)*

SEC Final Rule Release No. IC-31828, *Removal of Certain References to Credit Ratings and Amendment to the Issuer Diversification Requirement in the Money Market Fund Rule*

SEC Proposed Rule Release No. 34-76620, *Disclosure of Payments by Resource Extraction Issuers*

SEC Proposed Rule Release No. IC-31933, *Use of Derivatives by Registered Investment Companies and Business Development Companies*

SEC Concept Release No. 33-9862, *Possible Revisions to Audit Committee Disclosures*

SEC Interpretive Release No. 34-74936, *Forward Contracts With Embedded Volumetric Optionality*

SEC Compliance Guide, *Amendments to Regulation A: A Small Entity Compliance Guide*

SEC and FINRA Report, *National Senior Investor Initiative — A Coordinated Series of Examinations*

SEC Risk Alert, *Cybersecurity Examination Sweep Summary*

SEC Investor Bulletin, *Protecting Your Online Brokerage Accounts From Fraud*

PCAOB Release No. 2015-008, *Improving the Transparency of Audits: Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form and Related Amendments to Auditing Standard*s

PCAOB Release No. 2015-007, *Inspection Observations Related to PCAOB "Risk Assessment" Auditing Standards (No. 8 Through No. 15)*

PCAOB Release No. 2015-006, *Annual Report on the Interim Inspection Program Related to Audits of Brokers and Dealers*

PCAOB Release No. 2015-002, *Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Standards and Rules*

PCAOB Staff Inspection Brief Vol. 2015/2, *Information About 2015 Inspections*

PCAOB Staff Inspection Brief Vol. 2015/1, *Information About 2015 Inspections of Auditors of Brokers and Dealers*

PCAOB Publication, *Audit Committee Dialogue*

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

GASB Statement No. 77, *Tax Abatement Disclosures*

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*

GASB Statement No. 72, *Fair Value Measurement and Application*

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* — an amendment of GASB Statement No. 27

GASB Statement No. 67, *Financial Reporting for Pension Plans* — an amendment of GASB Statement No. 25

GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*

GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues* — an amendment of GASB Statement No. 33

GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*

GAO Study, *A Framework for Managing Fraud Risks in Federal Programs*

GAO Report, *SEC Conflict Minerals Rule — Insights From Companies' Initial Disclosures and State and USAID Actions in the Democratic Republic of the Congo Region*

FASAB Statement No. 47, *Reporting Entity*

FASAB Statement No. 36, *Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government*

COSO White Paper, *Leveraging COSO Across the Three Lines of Defense*

COSO Research Report, *COSO in the Cyber Age*

FDIC, OCC, and Federal Reserve Supervisory Guidance, *Deduction Methodology for Investments in Volcker Rule Covered Funds*

FDIC, OCC, Federal Reserve, FCA, and FHFA Final Rule, *Margin and Capital Requirements for Covered Swap Entities*

Federal Reserve Report, *Comprehensive Capital Analysis and Review 2015: Assessment Framework and Results*

IFRS 15, *Revenue From Contracts With Customers*

IFRS 12, *Disclosure of Interests in Other Entities*

IFRS 11, *Joint Arrangements*

IFRS 10, *Consolidated Financial Statements*

IFRS 9, *Financial Instruments*

IFRS 6, *Exploration for and Evaluation of Mineral Resources*

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IFRS 4, *Insurance Contracts*

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Appendix E: Abbreviations

Abbreviation	Definition
AICPA	American Institute of Certified Public Accountants
AR	U.S. Accounting and Review Services Standards
ASB	Auditing Standards Board
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
AT	U.S. Attestation Standards
AU	U.S. Auditing Standards
AU-C	U.S. Clarified Auditing Standards
BAAS	Bank Accounting Advisory Series
BHC	bank holding company
C&DIs	SEC Compliance and Disclosure Interpretations
CAQ	Center for Audit Quality
CFA	Chartered Financial Analyst
CFTC	Commodity Futures Trading Commission
CIS	collective investment scheme
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPMI	Committee on Payments and Market Infrastructures
CPSS	Committee on Payment and Settlement Systems
DRC	Democratic Republic of the Congo
DTA	deferred tax asset
DRTL	deferred tax liability
ED	exposure draft
EDGAR	SEC's Electronic Data Gathering, Analysis, and Retrieval system
EDTF	Enhanced Disclosure Task Force
EITF	Emerging Issues Task Force
ESG	environmental, social, and governance
FAF	Financial Accounting Foundation
FAQs	frequently asked questions
FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
FAST	Fixing America's Surface Transportation
FCA	Farm Credit Administration
FDIC	Federal Deposit Insurance Corporation
FHFA	Federal Housing Finance Agency
FINRA	Financial Industry Regulatory Authority
FRM	SEC Financial Reporting Manual

Abbreviation	Definition
FSB	Financial Stability Board
G-SIB	global systemically important bank
G-SII	global systematically important insurer
GAAS	generally accepted auditing standards
GAO	U.S. Government Accountability Office
GASB	Governmental Accounting Standards Board
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IAIS	International Association of Insurance Supervisors
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBNR	incurred but not reported
ICFR	internal control over financial reporting
IES	International Education Standard
IESBA	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standard
IIA	Institute of Internal Auditors
IIRC	International Integrated Reporting Council
IOSCO	International Organization of Securities Commissions
IPSA	independent private-sector audit
IPSAS	International Public Sector Accounting Standard
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
JOBS	Jumpstart Our Business Startups
KAM	key audit matters
MLP	master limited partnership
NAV	net asset value
NPNS	normal purchases and normal sales
NSFR	net stable funding ratio
OCA	Office of the Chief Accountant

Abbreviation	Definition
OCC	Office of the Comptroller of the Currency
OCIE	Office of Compliance and Examinations
OPEB	other postemployment benefits
OTC	over-the-counter
PCAOB	Public Company Accounting Oversight Board
PCC	Private Company Council
PEO	principal executive officer
PIOB	Public Interest Oversight Board
PIR	post-implementation review
Q&As	questions and answers
RSI	required supplementary information
S&P	Standard & Poor's

Abbreviation	Definition
SAB	SEC Staff Accounting Bulletin
SAS	Statement on Auditing Standards
SASB	Sustainability Accounting Standards Board
SEC	Securities and Exchange Commission
SMEs	small and medium-sized entities
SSARS	Statement on Standards for Accounting and Review Services
TIS	Technical Inquiry Service
TPA	Technical Practice Aid
VIE	variable interest entity
XBRL	eXtensible Business Reporting Language

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