

Accounting Roundup.

Edited by Robin Kramer and Catherine Kermode, Deloitte & Touche LLP

Contents

FASB Developments

- FASB Eliminates Inconsistencies in Financial Guarantee Insurance Contracts
- FASB Issues Statement Establishing GAAP Hierarchy
- FASB Tightens Convertible Debt Accounting for Issuers
- FASB Issues FSP on Consolidation and Equity Method Guidance for Not-for-Profit Organizations
- FASB and IASB Issue Two Conceptual Framework Documents
- FASB Proposes FSP on Credit Derivative and Guarantee Disclosures
- FASB Proposes FSP on Fair Value Accounting for Trading Inventory
- FASB Seeks Additional Comments on October 2006 Exposure Draft, *Not-for-Profit Organizations: Mergers and Acquisitions*
- FASB Authors Article About Fair Value
- Valuation Resource Group Discusses Four New Topics and Status of Prior Issues

AICPA Developments

- AICPA Recognizes IASB as Standard Setter
- AICPA Issues Two Proposed Redrafted Statements on Auditing Standards

SEC Developments

- SEC Expands the Definition of Eligible Portfolio Companies Under the Investment Company Act of 1940
- SEC Proposes Rule on Interactive Data
- SEC Proposes Rule on Cross-Border Transactions
- SEC Publishes Small Entity Compliance Guide on Internet Availability of Proxy Materials
- SEC Financial Reporting Advisory Committee Releases Updated Progress Reports

GASB Developments

- GASB Adds New Projects to Agenda

International Developments

- IASB Issues Annual Improvements to International Standards
- IASB and FASB Issue Two Conceptual Framework Documents

Other Developments

- CAQ SEC Regulations Committee Meets With SEC Staff

Appendix A: Recent Meetings

Appendix B: Significant Adoption Dates and Deadlines

Appendix C: Glossary of Standards

Appendix D: Abbreviations

Dbriefs for Financial Executives

We invite you to participate in *Dbriefs*, Deloitte's webcast series that delivers practical strategies you need to stay on top of important issues. Gain access to valuable ideas and critical information from webcasts presented each month.

Dbriefs also provides a convenient and flexible way to earn CPE credit — right at your desk. Join *Dbriefs* to receive notifications about future webcasts.

Click a link below for more information about any of these upcoming *Dbriefs* webcasts (all webcasts begin at 2:00 p.m. (EDT) unless otherwise noted):

- Friday, June 13: [XBRL-Based Financial Reporting: Potential Impact of an SEC Mandate](#).
- Tuesday, June 17: [EITF Roundup: Highlights of the June Meeting](#).
- Monday, June 23: [FAS 109 and IAS 12: Insights on the Corporate Income Tax Accounting Convergence Project](#).
- Wednesday, June 25: [Quarterly Accounting Roundup: An Update of Important Developments](#).

Don't miss out — *register* for these webcasts today.

Leadership Changes

FAF: Teresa S. Polley has been named president and chief operating officer of the FAF.

FASB: Russell Golden has been named technical director. Kevin Stoklosa and Peter Proestakes have been named assistant directors.

SEC: Nancy Morris has stepped down as SEC secretary.

Upcoming Events

The IASB is hosting a live Web presentation to introduce the discussion paper "Financial Instruments — Reducing Complexity." The discussion paper will be presented by IASB member John Smith.

Details

When: June 10, 2008

Times: 9:30 and 15:30 (BST)

Participants may [register](#) on the IASB's Web site.

Deloitte Publications

In response to a growing need for current information about IFRSs, Deloitte has issued [IFRS Insights](#), a newsletter detailing new IFRS developments and updates.

Deloitte has published the [results](#) of a 2008 IFRS survey that was completed by approximately 200 U.S. company senior finance professionals. The purpose of the survey was to understand the level of corporate awareness and interest in IFRSs.

FASB Developments

FASB Eliminates Inconsistencies in Financial Guarantee Insurance Contracts

AFFECTS: Insurance enterprises.

SUMMARY: On May 23, 2008, the FASB issued [Statement 163](#) to decrease the inconsistencies in Statement 60 in accounting for financial guarantee insurance contracts by insurance companies. Statement 163 addresses the differing views in Statement 60 regarding the recognition and measurement of premium revenues and claim liabilities and enhances the disclosure requirements for insurance contracts. Statement 163 requires insurance enterprises that issue financial guarantee insurance contracts to initially recognize the premium received (or premiums expected to be received) for issuing the contract as unearned premium revenue and recognize that premium revenue over the period the protection is provided and in proportion to it. Statement 163 also requires recognition of a claim liability before an event of default if there is evidence that credit deterioration of the guaranteed obligation has occurred. The FASB hopes that these changes will bring consistency to financial reporting for financial guarantee insurance contracts and will increase the comparability and quality of financial information.

NEXT STEPS: Statement 163 is effective for financial statements issued for fiscal years beginning after December 15, 2008 (and all interim periods within those fiscal years), except for some disclosures about the insurance enterprise's risk-management activities and claim liabilities. The Statement requires that disclosures about the risk-management activities of the insurance enterprise and its claim liabilities be effective for the first period (including interim periods) beginning after the Statement's issuance. Except for those disclosures, earlier application is not permitted. ●

FASB Issues Statement Establishing GAAP Hierarchy

AFFECTS: Nongovernmental entities presenting U.S. GAAP financial statements.

SUMMARY: On May 9, 2008, the FASB issued [Statement 162](#), which reorganizes the GAAP hierarchy. The purpose of the new standard is to improve financial reporting by providing a consistent framework for determining what accounting principles should be used when preparing U.S. GAAP financial

statements. The Board believes that the previous GAAP hierarchy under SAS 69 was flawed because it (1) was directed to auditors, not entities, who are ultimately responsible for preparing U.S. GAAP financial statements; (2) was too complex; and (3) did not properly rank the accounting literature. Under this new Statement, the hierarchy is as follows:

Level A — FASB Statements of Financial Accounting Standards and Interpretations, FASB Statement 133 Implementation Issues, FASB Staff Positions, AICPA Accounting Research Bulletins and APB Opinions that are not superseded by actions of the FASB, and rules and interpretive releases of the SEC for SEC registrants.

Level B — FASB Technical Bulletins and, if cleared by the FASB, AICPA Industry Audit and Accounting Guides and Statements of Position.

Level C — AICPA Accounting Standards Executive Committee Practice Bulletins that have been cleared by the FASB, consensus positions of the EITF, and Topics discussed in Appendix D of *EITF Abstracts*.

Level D — Implementation Guides (Q&As) published by the FASB staff, AICPA Accounting Interpretations, AICPA Industry Audit and Accounting Guides and Statements of Position not cleared by the FASB, and practices that are widely recognized and prevalent either generally or in the industry.

NEXT STEPS: Statement 162 will be effective 60 days after the SEC’s approval of the PCAOB’s amendments to AU Section 411. ●

FASB Tightens Convertible Debt Accounting for Issuers

AFFECTS: Issuers of convertible debt securities.

SUMMARY: On May 9, 2008, the FASB issued [FSP APB 14-1](#), which addresses the accounting for convertible debt securities that, **upon conversion**, may be **settled by the issuer fully or partially in cash** (i.e., if the investor elects to convert, the issuer has the right to pay some or all of the conversion value in cash rather than to settle the conversion value fully in shares). Such securities have been popular in recent years because issuers have enjoyed lower interest expense and more favorable earnings per share than they have with other types of securities. Issue 90-19 includes examples of these instruments, describing them as Instruments B and C.

The FSP does not change the accounting for more traditional types of convertible debt securities that do not have a cash settlement feature. Also, the FSP does not apply if, under existing GAAP for derivatives, the embedded conversion feature must be accounted for separately from the rest of the instrument.

NEXT STEPS: The FSP is effective for fiscal years (and interim periods) beginning after December 15, 2008 (i.e., January 1, 2009, for calendar-year-end entities). The FSP should be **applied retrospectively to all past periods presented** — even if the instrument has matured, has been converted, or has otherwise been extinguished as of the FSP’s effective date.

OTHER RESOURCES: Deloitte’s [May 15, 2008, Heads Up](#). ●

FASB Issues FSP on Consolidation and Equity Method Guidance for Not-for-Profit Organizations

AFFECTS: Not-for-profit organizations (NPOs).

SUMMARY: On May 19, 2008, the FASB issued [FSP SOP 94-3-1 and AAG HCO-1](#) to amend the guidance on consolidation and the equity method accounting in SOP 94-3 and the AICPA Audit and Accounting Guide *Health Care Organizations* (the “Health Care Guide”). The FSP’s provisions include:

- Eliminating the exception to consolidation when control is expected to be temporary.
- Amending the definition of control through a “majority voting interest in the board of another entity.”

- Conforming the concept of sole corporate membership in SOP 94-3 to that in the Health Care Guide.
- Confirming the applicability of consensus guidance in Issues 90-15, 96-21, and 97-1 if they are the lessees in transactions involving special-purpose entity lessors.
- Requiring NPOs to apply the equity method to certain investments in for-profit partnerships, limited liability companies, or similar entities.

NEXT STEPS: This FSP will apply to fiscal years beginning after June 15, 2008 (and to interim periods therein). The FSP should be applied prospectively to all relationships, arrangements, and interests that exist on the effective date. If the application of the FSP results in an NPO changing its accounting (e.g., a change from cost method to equity method accounting for an investment in a for-profit partnership), a cumulative change adjustment is required at adoption.

OTHER RESOURCES: Deloitte's [June 5, 2008, Heads Up](#). ●

FASB and IASB Issue Two Conceptual Framework Documents

AFFECTS: All entities.

SUMMARY: On May 29, 2008, the FASB and IASB [announced](#) they are seeking views on two documents they issued regarding an accounting standards conceptual framework. The documents released by the FASB were an Exposure Draft, [Conceptual Framework for Financial Reporting: The Objective of Financial Reporting and Qualitative Characteristics and Constraints of Decision-Useful Financial Reporting Information](#), and a Preliminary Views document, [Conceptual Framework for Financial Reporting: The Reporting Entity](#). The FASB and IASB have been working together on this project since October 2004 to create a single conceptual framework as a foundation for developing principles-based accounting standards.

The Exposure Draft includes two chapters of the conceptual framework:

- Chapter 1, "The Objective of Financial Reporting," addresses types of users of financial information, what information they find most useful, and what types of decisions they make on the basis of financial information.
- Chapter 2, "Qualitative Characteristics and Constraints of Decision-Useful Financial Reporting Information," describes the qualitative characteristics that make financial information useful, including relevance, faithful representation, comparability, verifiability, timeliness, and understandability. This chapter also discusses the "pervasive constraints" related to gathering such qualitative information, which are materiality and cost. The Boards are requesting comments on the reasonableness of these characteristics and constraints.

The Preliminary Views document outlines the boards' perspectives on including a "reporting entity concept" into the conceptual framework. The views expressed include the following:

- The reporting entity is a level of operations (financial information) in which an investor would be interested when making business decisions.
- A reporting entity can be determined on the basis of control.
- Consolidated financial statements should be prepared from the perspective of the reporting entity.

See the [related article](#) in the International Developments section.

NEXT STEPS: Comments on the Exposure Draft and Preliminary Views documents are due by September 29, 2008. ●

FASB Proposes FSP on Credit Derivative and Guarantee Disclosures

- AFFECTS:** Entities that sell credit derivatives and provide guarantees.
- SUMMARY:** On May 30, 2008, the FASB proposed [FSP FAS 133-b and FIN 45-c](#) for public comment. The FSP is intended to create consistent disclosure requirements for credit derivatives and guarantees. Although similar in nature, the instruments currently do not have similar disclosure requirements. The FSP would amend Statement 133 and Interpretation 45, requiring additional disclosures about credit-indexed derivatives (e.g., default swaps, credit spread options, and credit index products) in Statement 133 and an additional disclosure about the “current status of the payment/performance risk of a guarantee” under Interpretation 45. The proposed effective date would be for fiscal years and interim periods ending after November 15, 2008, with early adoption permitted. The FASB expects to issue this FSP in the third quarter of 2008.
- NEXT STEPS:** Comments on the proposed FSP are due by June 30, 2008.
- OTHER RESOURCES:** Deloitte’s [June 3, 2008, Heads Up](#). ●

FASB Proposes FSP on Fair Value Accounting for Trading Inventory

- AFFECTS:** Entities with trading inventory.
- SUMMARY:** On May 1, 2008, the FASB issued proposed [FSP ARB 43-a](#), which would amend ARB 43, Chapter 4, to address inconsistencies in accounting for inventory between this chapter and the AICPA Audit and Accounting Guides *Brokers and Dealers in Securities* and *Investment Companies*. Currently, inventory should be reported at the lower of cost or market under ARB 43 and at fair value under the two AICPA guides. The FSP proposes that all “inventories included in an entity’s trading activities” be initially and subsequently accounted for at fair value. Note that the FSP would change accounting only for trading inventories, not for nontrading inventories such as those in production, retail, wholesale, or distribution.
- This FSP would be effective for statements issued for fiscal years beginning after November 15, 2008 (and interim periods within those fiscal years). Early adoption would not be permitted.
- NEXT STEPS:** Comments on the proposed FSP are due by June 16, 2008. ●

FASB Seeks Additional Comments on October 2006 Exposure Draft, *Not-for-Profit Organizations: Mergers and Acquisitions*

- AFFECTS:** Not-for-profit organizations.
- SUMMARY:** On May 9, 2008, the FASB posted to its Web site a [request for additional comments](#) on its proposed Statement *Not-for-Profit Organizations: Mergers and Acquisitions*. The FASB had concluded that both NPO mergers and acquisitions should be accounted for as acquisitions, since there is no substantive difference between the two types of transactions (net assets are acquired in both).
- However, various respondents as well as certain participants at the March 2007 FASB roundtable meeting, remarked that “true mergers” or “mergers of equals” for NPOs “occur with greater frequency [among NPOs] than they do among business entities” (i.e., under Statement 141). Therefore, these respondents argue, the accounting for NPOs should vary depending on whether the transaction is considered a merger of two NPOs or an acquisition of one NPO by another. Because of these comments, the FASB has proposed revisions to the proposed Statement and is seeking additional comments on whether criteria for distinguishing a merger from an acquisition can be established.
- NEXT STEPS:** Comments on the proposed Statement are due by July 8, 2008. In addition, the FASB is soliciting organizations that have recently merged to participate in field visits and interviews with the FASB staff. ●

FASB Authors Article About Fair Value

AFFECTS: All entities.

SUMMARY: On May 7, 2008, the FASB issued a [paper](#), "Understanding the Issues — Some Facts About Fair Value," to answer questions about fair value. Topics covered in the paper include the definition of fair value, fair value's current use in financial reporting, and the approach for developing fair value estimates. ●

Valuation Resource Group Discusses Four New Topics and Status of Prior Issues

AFFECTS: All entities.

SUMMARY: On May 8, 2008, the VRG¹ met to discuss various new implementation and application issues associated with Statement 157 and revisited certain topics discussed at its previous meetings.

New issues discussed at the meeting include the following:

- Observable versus unobservable fair value measurements in the current credit environment.
- Determining whether a discount should be applied for a restriction on sale.
- Employee benefit plans.
- Contingent liabilities.

The VRG revisited the following issues and came to the following conclusions:

Topics for Which No Standard Setting Should Be Planned

- Fair value of mortgage loans and unit of account — decomposition of an asset.
- How to factor liquidity into fair value measurements.
- Elements to consider when determining an "active market."
- Determining a principal market.
- Assets acquired through an auction.
- Use of net asset value in fund-of-funds investments.
- Highest and best use — land example.
- Definition of "significant" in evaluating inputs for fair value hierarchy classification.
- Accounting for transaction costs in determining the fair value of an investment.
- Overlapping customer relationships.
- Use of the "current replacement cost" method for valuation of intangible assets.
- Meaning of "legally permissible" in assessing the highest and best use.
- Fair value of inventory.
- Allocation of portfolio-based credit adjustments for hedge effectiveness testing.

Issue-Specific Conclusions Reached

- Highest and best use: defensive value and accounting for assets that the acquirer does not intend to use or intends to use in a way other than their highest and best use.
 - *Update:* The FASB staff indicated that it intends to submit an agenda request to the FASB chairman to address the subsequent accounting for defensive value assets. Some VRG

¹ The VRG was established to provide the FASB staff with information about implementation issues regarding fair value measurements used in financial reporting and the alternative viewpoints associated with those implementation issues. The VRG comprises a cross-section of industry representatives, including financial statement preparers, auditors, and valuation experts. VRG meetings are coordinated by the FASB staff and observed by the SEC, the AICPA, and the PCAOB. The VRG does not make authoritative decisions. Authoritative decisions are subject to the FASB's normal, open due process, including open deliberation by the Board.

members indicated that they believe there will also be diversity in practice regarding the measurement of the asset. However, it was agreed that whether diversity exists will not be known until the adoption of Statement 141(R).

- Assets and liabilities without markets.
 - *Update:* The FASB staff indicated that this Issue is addressed by proposed FSP FAS 157-c, which was recently exposed for public comment and is being redeliberated by the FASB.
- Pension plan disclosures.
 - *Update:* The FASB staff indicated that the Board has concluded that the disclosures in Statement 157 do not apply to fair value measurements of the plan sponsor's plan assets. However, the Board directed the FASB staff to include in proposed FSP FAS 132(R)-a disclosure requirements about fair value measurements that are similar to those in Statement 157.
- Fair value of liability with third-party guarantees.
 - *Update:* The FASB staff indicated that this Issue has been added to the EITF's agenda and is expected to be discussed at the EITF meeting on June 12, 2008.

NEXT STEPS: The FASB staff has not yet scheduled the next VRG meeting; however, the VRG has met at least once a quarter since its inception in October 2007.

OTHER RESOURCES: Deloitte's [May 13, 2008, Heads Up](#). ●

AICPA Developments

AICPA Recognizes IASB as Standard Setter

AFFECTS: All entities.

SUMMARY: On May 18, 2008, the AICPA [announced](#) that it will now recognize the IASB as "an accounting body for purposes of establishing international financial accounting and reporting principles." Specifically, the AICPA will amend Appendix A of Rules 202 and 203 of the AICPA's Code of Ethics to state that the IASB will now be among the AICPA's accepted standard setters. As a result, AICPA members can elect to use IFRSs instead of U.S. GAAP in fulfilling their professional responsibilities. Because IFRSs are gaining acceptance in the United States, the AICPA thought that this would enable its members to perform better service for their clients and the public.

The AICPA has also partnered with CPA2Biz to create a Web site, [IFRS.com](#), to educate members about IFRS regulations and requirements.

NEXT STEPS: These changes are effective immediately. The ASB and ARSC are creating clarifying language on how audit, review, and compilation reports can be modified when reporting on financial statements prepared in accordance with IFRSs. ●

AICPA Issues Two Proposed Redrafted Statements on Auditing Standards

AFFECTS: Entities and their auditors.

SUMMARY: The AICPA has issued two proposed redrafted Statements on Auditing Standards (SASs), [SAS 114 \(Redrafted\)](#) and [SAS 103 \(Redrafted\)](#), which would supersede SAS 114 and SAS 103, respectively. These proposed SASs are in response to the AICPA's March 2007 discussion paper, "[Improving the](#)

[Clarity of ASB Standards,”](#) which discussed the AICPA’s concerns with the existing ASB standards and outlined “clarity drafting conventions” in which it planned to revise all SASs. Drafting conventions include:

- Establishing SAS objectives.
- Including a definitions section in each SAS.
- Separating required procedures from explanatory material.
- Enhancing readability.
- Scaling the material for smaller, less complex entities as well as larger corporations.

These new SASs were drafted to converge with the standards of the International Auditing and Assurance Standards Board (IAASB). International Standard on Auditing (ISA) 260 was used to redraft SAS 114, and ISA 230 was used to redraft SAS 103. Exhibit B of each SAS explains any significant differences between the SAS and its respective ISA.

Each proposed SAS would not be effective for audits of financial statements until after December 15, 2010.

NEXT STEPS:

Comments on the two SASs are due by June 30, 2008. The AICPA has asked respondents to focus on certain issues, including the following:

- SAS 114 — *Communication of the risks of material misstatements*. In addition to the planned scope and timing of the audit, should issues of risk and materiality be required to be communicated to those charged with governance?
- SAS 103 — *Definition of experienced auditor*. The definition of an experienced auditor has changed to conform with the definition outlined in ISA 230. This definition change will not amend any documentation requirements under U.S. GAAS; however, it does indicate that the documentation requirements under U.S GAAS and ISA 230 will now be the same. ●

SEC Developments

SEC Expands the Definition of Eligible Portfolio Companies Under the Investment Company Act of 1940

AFFECTS: Investment companies.

SUMMARY: On May 15, 2008, the SEC issued a [final rule](#) to “more closely align the definition of eligible portfolio company, and the investment activities of business development companies (‘BDCs’), with the purpose that Congress intended.”² Under the new definition, eligible portfolio companies would include companies listed on the national securities exchange that have less than \$250 million in market capitalization. Previously, companies whose securities were listed on the exchange were not included in the definition.

NEXT STEPS: The final rule will become effective on July 21, 2008. ●

SEC Proposes Rule on Interactive Data

AFFECTS: Public entities.

SUMMARY: On May 14, 2008, the SEC [voted](#) unanimously to formally propose a rule requiring domestic and foreign companies that prepare their financial statements in accordance with U.S. GAAP and IFRSs (as issued by the IASB) to submit their financial information using XBRL for periods ending on or after December 15, 2008, for the largest companies and within the following two years for smaller

² In 1980, BDCs were established as a new category of closed-end investment companies to make capital more readily available to companies who invested at least 70 percent of their assets in “eligible portfolio company” securities and other certain securities.

companies. On May 30, 2008, the SEC issued the proposed rule, [Interactive Data to Improve Financial Reporting](#). The SEC believes this new reporting requirement will provide useful financial information to investors quickly and will make it easier for them to download the information and compare it to other companies or analyze it in a variety of ways. In addition, the SEC hopes that using the XBRL format will help to automate the regulatory and business information filing process and eventually reduce the costs of financial reporting.

NEXT STEPS: Comments on the SEC's proposed rule are due by August 1, 2008.

OTHER RESOURCES: Deloitte's [June 5, 2008 Heads Up](#). ●

SEC Proposes Rule on Cross-Border Transactions

AFFECTS: Public entities.

SUMMARY: On May 6, 2008, the SEC issued for comment a [proposed rule](#) that would expand and enhance the use of current exemptions for cross-border business combinations to encourage offerors and issuers to enter into cross-border transactions. The rule's proposals include the following:

- Refining tests to determine who is eligible to rely on cross-border exemptions during a transaction.
- Expanding relief for transactions not eligible under the cross-border exemptions.
- Amending Tier II to:
 - o Extend the relief to tender offers not subject to Section 13(e) or 14(d) of the Securities Exchange Act of 1934.
 - o Eliminate recurring conflicts between U.S. and foreign law.
- Codifying existing interpretive positions and exemptive orders.
- Permitting foreign institutions to report on Schedule 13G, without individual no-action relief.

NEXT STEPS: Comments on the proposed rule are due by June 23, 2008. ●

SEC Publishes Small Entity Compliance Guide on Internet Availability of Proxy Materials

AFFECTS: Nonaccelerated filers.

SUMMARY: The SEC has issued a small-entity compliance guide, [Shareholder Choice Regarding Internet Availability of Proxy Materials](#), on its adopted proxy rule amendments. The guide outlines two options for providing proxy materials to a company's shareholders: (1) the "notice only" option or (2) the "full set delivery" option. Under the notice only option, a company must (1) post its proxy materials on an Internet Web site, (2) send a Notice of Internet Availability to its shareholders, and (3) provide paper or electronic copies of the proxy materials to a shareholder, if requested, and allow shareholders to make an election to receive paper or electronic copies of proxy materials before future shareholder meetings. Under the "full set delivery" option, a company must deliver a full set of proxy materials to shareholders along with the Notice of Internet Availability of Proxy Materials. Steps 2 and 3, which are required under the notice only option, are not required under the full delivery option because the company has already sent a full set of proxy materials to a shareholder.

NEXT STEPS: Smaller entities (entities that are not large accelerated filers) must comply with the proxy requirements beginning on or after January 1, 2009. ●

SEC Financial Reporting Advisory Committee Releases Updated Progress Reports

AFFECTS: All entities.

SUMMARY: On May 15, 2008, the SEC Advisory Committee on Improvements to Financial Reporting (CIFIR) released four updated subcommittee [progress reports](#) summarizing the progress made toward reducing the complexity in financial reporting and increasing the usefulness of financial information provided to investors.

The subcommittees are as follows:

- Substantive Complexity.
- Standard-Setting.
- Audit Process and Compliance.
- Delivering Financial Information.

NEXT STEPS: Comments on the reports are due by June 23, 2008.

OTHER RESOURCES: See Deloitte's [Accounting Roundup: First Quarter in Review — 2008](#) for an update on CIFIR's proposals (released on February 14, 2008) to reduce complexity in financial reporting and increase the usefulness of financial information provided to investors. ●

GASB Developments

GASB Adds New Projects to Agenda

AFFECTS: Government entities and their auditors.

SUMMARY: The GASB will be busy this summer with projects on the following [topics](#):

Agenda Projects

- Fund balance reporting and governmental-fund-type definitions.
- Derivatives.
- Conceptual framework — recognition and measurement attributes.
- Service efforts and accomplishments reporting.

New Agenda Projects

- Postemployment benefits accounting and financial reporting.
- Public/private partnerships.
- Reporting unit presentations/Statement 14 reexamination.

Practice Issues

- Comprehensive implementation guide.

New Practice Issues

- The AICPA omnibus.
- The ARC adjustment — technical bulletin.
- Derivative instruments implementation guide.

Research Projects

- Economic condition reporting.
- Electronic financial reporting.

New Research Projects

- Codification of FASB pronouncements issued before November 30, 1989.
- Fair value measurement.

OTHER RESOURCES: For a summary or full plan of the above projects, see the article [“GASB Releases Technical Plan for the Second-Third of 2008,”](#) and the GASB’s [“Approved Technical Plan for the Second-Third of 2008,”](#) respectively. ●

International Developments

IASB Issues Annual Improvements to International Standards

AFFECTS: Entities reporting under IFRSs.

SUMMARY: On May 22, 2008, the IASB issued [Improvements to IFRSs](#) — a collection of amendments to International Financial Reporting Standards (IFRSs). The new standard reflects the results of the IASB’s project, beginning in 2007, to perform annual reviews of IFRSs and address standards that require non-urgent, minor amendments. The IASB selected standards that were not included in current projects and would not be reviewed otherwise. The following IFRSs were reviewed as part of the annual improvement project: IFRS 1, 5, and 7, and IAS 1, 16, 19, 20, 23, 27, 28, 29, 31, 32, 36, 38–40, and 41. The document is divided into two parts:

- Part I — amendments that result in accounting changes for presentation, recognition, or measurement purposes.
- Part II — amendments that are terminology or editorial changes only, which the IASB expects will have no or minimal effect on accounting.

Some of the amendments that are likely to significantly change current practice include the following:

- Held-for-sale classification of the assets and liabilities of a subsidiary in which the parent is committed to a plan to sell its controlling interest but intends to retain a noncontrolling interest (IFRS 5).
- The reclassification to inventories of property, plant, and equipment previously held for rental when the assets cease to be rented and are held for sale, and the recognition of the proceeds of disposal of such assets as revenue (IAS 16).
- The recognition of advertising and promotional expenditure as an asset is not permitted beyond the point at which the entity has the right to access the goods purchased or, in the case of services, the point at which the services are received (IAS 38).

The IASB also published [amendments to IFRS 1 and IAS 27](#) that address the measurement of the cost of investments in subsidiaries, jointly controlled entities, and associates when an entity adopts IFRSs for the first time. The IASB made these amendments because of concerns that retrospectively determining cost and applying the cost method in accordance with IAS 27 could not, in some circumstances, be achieved without undue cost or effort for first-time adopters.

NEXT STEPS: Most of the improvements are effective for annual periods beginning on or after January 1, 2009, with early adoption permitted. They should be applied retrospectively.

OTHER RESOURCES: For more information, see the May 2008 — Special Edition of Deloitte’s [IAS Plus newsletter](#) that discusses these improvements and categorizes them in two tables. (Table I lists amendments that affect the standards, and Table II lists amendments with more minor wording changes that are not necessarily expected to affect accounting practice.) See also the May 2008 — Special Edition of Deloitte’s [IAS Plus newsletter](#) that discusses the amendments to IFRS 1 and IAS 27. ●

IASB and FASB Issue Two Conceptual Framework Documents

- AFFECTS:** All entities.
- SUMMARY:** The IASB and FASB recently published for public comment two consultative documents on their joint conceptual framework project. The [Exposure Draft](#) seeks views on (1) an improved objective of financial reporting, (2) the qualitative characteristics of information provided by financial reporting, and (3) constraints on the provision of that information. The [Discussion Paper](#) sets out the boards' initial perspectives on the reporting entity concept and related issues. See the [related article](#) in the FASB Developments section.
- NEXT STEPS:** Comments on the IASB's Exposure Draft and Discussion Paper documents are due by September 29, 2008. ●

Other Developments

CAQ SEC Regulations Committee Meets With SEC Staff

- AFFECTS:** All entities.
- SUMMARY:** On April 9, 2008, the CAQ SEC Regulations Committee held its first meeting of the year with the SEC staff. The Regulations Committee is composed of representatives from various public accounting firms, industry, and academia, and meets periodically with the SEC staff to discuss emerging technical accounting and reporting issues relating to SEC rules and regulations. The following topics were discussed at the April meeting:
- Impacts of Statements 141(R) and 160 on existing SEC accounting and disclosure requirements.
 - Credit market and subprime issues and risks in the current environment.
 - Fair value concerns.
 - Application of new accounting standards to nonpublic companies in connection with an IPO.
 - Periods for pro forma MD&A and income statement disclosures.
 - IFRS developments.
 - Materiality.
 - XBRL.
 - Staff communications and personnel changes.
- NEXT STEPS:** Meeting highlights will be posted to the CAQ SEC Regulations Committee Web page when they are finalized and approved by the SEC staff.
- OTHER RESOURCES:** Deloitte's [May 20, 2008, Heads Up](#). ●

Appendix A: Recent Meetings

Recent FASB Meetings

To jump to the minutes of a FASB meeting, click a date or link below.

May 7, 2008

The Board discussed the following topics:

- [Conceptual Framework: Elements and Recognition](#).
- [Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities](#).

May 14, 2008

The Board discussed the following topics:

- [Revenue Recognition](#).
- [Reporting Discontinued Operations](#).

May 21, 2008

The Board discussed the following topic:

- [Statement 140 Implementation: Transfers of Financial Assets](#).

May 28, 2008

No Board meeting was held.

FASB Project Summaries and Meeting Minutes

[Project summaries](#), [handouts](#) distributed at each meeting, [FASB meeting minutes](#), and [summaries](#) of FASB meetings and recent actions are available on the FASB's Web site.

Recent EITF Meetings

No EITF meeting was held in May 2008. The next meeting is scheduled for June 11–12, 2008. The [agenda](#) is available on the FASB's Web site.

Recent ASB Meetings

May 6–8, 2008

The ASB discussed the following topics:

- Service Organizations (SSAE).
- Service Organizations (SAS).
- Internal Control — AT 501.
- Internal Control — SAS 112.
- SAS 69.
- Required Supplementary Information/Other Supplementary Information.
- SAS 74.

The [agenda](#) is available on the AICPA's Web site.

The next meeting is scheduled for July 28–31, 2008.

Recent AcSEC Meetings

May 13–14, 2008

The AcSEC discussed the following topics:

- Healthcare Guide.
- Liabilities and Equity.
- Not-for-Profit Guide.
- Airline Guide.
- Oil and Gas Guide.

The [agenda](#) is available of the AICPA's Web site.

Recent FASAB Meetings

No FASAB meeting was held in May 2008. The next meeting is scheduled for June 18–19, 2008.

Recent GASB Meetings

May 5, 2008 (teleconference)

The GASB discussed the following topics:

- Derivative Instruments.
- ARC Adjustment.

The [agenda](#) is available on the GASB's Web site.

May 21–23, 2008

The GASB discussed the following topics:

- Derivative Instruments.
- Service Efforts and Accomplishments Reporting.
- Conceptual Framework — Recognition and Measurement Attributes.
- Healthcare Financial Management Association (HFMA) Liaison.
- Comprehensive Implementation Guide.
- Public/Private Partnerships.
- AICPA Omnibus.
- Postemployment Benefits Accounting and Financial Reporting.

The [agenda](#) is available on the GASB's Web site.

The next meeting is scheduled for June 12, 2008.

Recent IASB Meetings

May 20–23, 2008

The IASB discussed the following topics:

- Amendments to IAS 39, *Financial Instruments: Recognition and Measurement*, Exposures Qualifying for Hedge Accounting.
- Annual Improvements Process.

- Earnings per Share
- Emissions Trading Schemes.
- Fair Value Measurement.
- IFRIC Update.
- IFRS 1 — First-time Adoption of International Financial Reporting Standards.
- IFRS for Small and Medium-sized Entities (SMEs).
- Liabilities: Amendments to IAS 37.
- Revenue Recognition.

The [agenda](#) is available on the IASB's Web site.

The next IASB meeting is scheduled for June 16–20, 2008.

Recent IFRIC Meetings

May 8–9, 2008

The IFRIC discussed the following topics:

- IFRIC D21, *Real Estate Sales*.
- IFRIC D22, *Hedges of a Net Investment in a Foreign Operation*.
- IFRS 2, *Share-based Payment* and IFRIC 11, *IFRS 2 — Group and Treasury Share Transactions* — Group Cash-Settled Share-based Payment Transactions.
- Rate Regulated Liabilities.
- IFRIC Agenda Decisions.
- Tentative Agenda Decisions.
- IFRIC Work in Progress.

See IASB's [May 2008 IFRIC Update](#) on the IASB's Web site.

The next IASB meeting is scheduled for July 10–11, 2008.

Appendix B: Significant Adoption Dates and Deadlines

The chart below illustrates significant adoption dates and deadline dates for the FASB, EITF, AICPA/AcSEC, SEC, PCAOB, GASB/GAO, FASAB, and IASB/IFRIC.

FASB	Status
Significant Adoption Dates	
Statement 163, <i>Accounting for Financial Guarantee Insurance Contracts</i> — an interpretation of FASB Statement No. 60	Effective for financial statements issued for fiscal years beginning after December 15, 2008 (and all interim periods within those fiscal years), except for some disclosures about the insurance enterprise's risk-management activities. Requires that disclosures about the risk-management activities of the insurance enterprise be effective for the first period (including interim periods) beginning after issuance. Except for those disclosures, earlier application is not permitted.
Statement 162, <i>The Hierarchy of Generally Accepted Accounting Principles</i>	Effective 60 days following the SEC's approval of the PCAOB's amendments to AU Section 411, <i>The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles</i> .
Statement 161, <i>Disclosures About Derivative Instruments and Hedging Activities</i> — an amendment of FASB Statement No. 133	Effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. Accordingly, an entity must provide the disclosures required by Statement 161 in its first set of financial statements issued for a reporting period that begins after November 15, 2008, regardless of whether that reporting period is the first interim period in the entity's fiscal year.
Statement 160, <i>Noncontrolling Interests in Consolidated Financial Statements</i> — an amendment of ARB No. 51	Effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. The standard should be applied prospectively. Presentation and disclosure requirements should be applied retrospectively to comparative financial statements. Earlier adoption is prohibited.
Statement 159, <i>The Fair Value Option for Financial Assets and Financial Liabilities</i> — including an amendment of FASB Statement No. 115	Effective as of the beginning of the entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided that the entity (1) also adopts the requirements of Statement 157 concurrently with or prior to the adoption of this Statement, (2) makes that choice within 120 days of the beginning of the fiscal year of adoption, and (3) at the time the entity chooses to early adopt, the entity has not yet issued financial statements, including required notes to those financial statements, for any interim period of the fiscal year that included the early adoption date.
Statement 158, <i>Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans</i> — an amendment of FASB Statements No. 87, 88, 106, and 132(R)	Recognition of the asset and liability related to funded status of a plan and disclosures: <ul style="list-style-type: none"> For entities with publicly traded equity securities, effective for fiscal years ending after December 15, 2006. For all other entities, effective for fiscal years ending after June 15, 2007. For all entities, change in measurement date is effective for fiscal years ending after December 15, 2008.
Statement 157, <i>Fair Value Measurements</i>	Effective for fiscal years beginning after November 15, 2007, and interim periods within those years. Earlier adoption is permitted, provided that no financial statements have yet been issued within that fiscal year. FSP FAS 157-2 defers the Statement's effective date for certain nonfinancial assets and liabilities to fiscal years beginning after November 15, 2008, and interim periods within those years.
Statement 141(R), <i>Business Combinations</i>	Effective prospectively for fiscal years beginning on or after December 15, 2008. Earlier adoption is prohibited.
Interpretation 48, <i>Accounting for Uncertainty in Income Taxes</i> — an interpretation of FASB Statement No. 109	For public entities, effective for fiscal years beginning after December 15, 2006. For all other entities, FSP FIN 48-2 defers the effective date until fiscal years beginning after December 15, 2007.
FSP FAS 158-1, "Conforming Amendments to the Illustrations in FASB Statements No. 87, No. 88, and No. 106 and to the Related Staff Implementation Guides"	Effective concurrently with the requirements of Statement 158.
FSP FAS 157-2, "Effective Date of FASB Statement No. 157"	Effective February 12, 2008.
FSP FAS 157-1, "Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement Under Statement 13"	Effective upon the initial adoption of Statement 157.

FSP FAS 142-3, "Determination of the Useful Life of Intangible Assets"	Effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited.
FSP FAS 140-3, "Accounting for Transfers of Financial Assets and Repurchase Financing Transactions"	Effective for financial statements issued for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. Earlier application is not permitted.
FSP FIN 48-2, "Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises"	Effective February 1, 2008.
FSP FIN 48-1, "Definition of <i>Settlement</i> in FASB Interpretation No. 48"	Effective upon the initial adoption of Interpretation 48.
FSP FIN 46(R)-7, "Application of FASB Interpretation No. 46(R) to Investment Companies"	The effective date for applying the provisions of Interpretation 46 or Interpretation 46(R) is deferred for investment companies that are not subject to SEC Regulation S-X, Rule 6-03(c)(1), but that are currently accounting for their investments in accordance with the specialized accounting guidance in the AICPA Audit and Accounting Guide, <i>Investment Companies</i> , until the date that the investment company initially adopts AICPA Statement of Position 07-1, <i>Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies</i> . An entity that is required to discontinue application of the specialized accounting in the Guide as a result of adoption of SOP 07-1 is subject to the provisions of Interpretation 46(R) at that time. Paragraph 4(e) of FASB Interpretation No. 46(R), <i>Consolidation of Variable Interest Entities</i> , states that "[i]nvestments accounted for at fair value in accordance with the specialized accounting guidance in the AICPA Audit and Accounting Guide, <i>Investment Companies</i> , are not subject to consolidation according to the requirements of this Interpretation." [Footnote omitted] Accordingly, an entity that meets the definition of an investment company after adoption of SOP 07-1 should continue to apply the specialized accounting in the Guide to its investments.
FSP FIN 39-1, "Amendment of FASB Interpretation No. 39"	Effective for fiscal years beginning after November 15, 2007.
FSP APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)"	Effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is not permitted.
FSP SOP 07-1-1, "Effective Date of AICPA Statement of Position 07-1"	Effective as of December 15, 2007.
FSP SOP 94-3-1 and AAG HCO-1, "Omnibus Changes to Consolidation and Equity Method Guidance for Not-for-Profit Organizations"	Effective for fiscal years beginning after June 15, 2008, and to interim periods therein. The FSP should be applied prospectively to all relationships, arrangements, and interests that exist on the effective date. If the application of the FSP results in an NPO changing its accounting (e.g., a change from cost method to equity method accounting for an investment in a for-profit partnership), a cumulative change adjustment is required at adoption.
FSP SOP 90-7-1, "An Amendment of AICPA Statement of Position 90-7"	Effective for financial statements issued after the FSP's issuance date (April 24, 2008).
Implementation Issue E23, "Issues Involving the Application of the Shortcut Method Under Paragraph 68"	Effective for hedging relationships designated on or after January 1, 2008.
Projects in Request-for-Comment Stage	
Proposed FSP ARB 43-a, "Amendment of the Inventory Provisions of Chapter 4 of ARB No. 43"	Comments due June 16, 2008.
Proposed FSP FAS 133-b and FIN 45-c, "Disclosures About Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45"	Comments due June 30, 2008.
Exposure Draft, <i>Not-for-Profit Organizations: Mergers and Acquisitions</i>	Comments due July 8, 2008. The FASB is also soliciting organizations that have recently merged and would be willing to participate in field visits and interviews with the FASB Staff.
Invitation to Comment, <i>Reducing Complexity in Reporting Financial Instruments</i>	Comments due September 19, 2008.
Proposed Statement, <i>Conceptual Framework for Financial Reporting: The Objective of Financial Reporting and Qualitative Characteristics and Constraints of Decision-Useful Financial Reporting Information</i>	Comments due September 29, 2008.
Preliminary Views, <i>Conceptual Framework for Financial Reporting: The Reporting Entity</i>	Comments due September 29, 2008.

EITF	Status
Significant Adoption Dates	
Issue 07-6, "Accounting for the Sale of Real Estate Subject to the Requirements of FASB Statement No. 66, Accounting for Sales of Real Estate, When the Agreement Includes a Buy-Sell Clause"	This Issue should be applied prospectively to new arrangements entered into, and assessments performed, in fiscal years beginning after December 15, 2007, and interim periods within those fiscal years.
Issue 07-4, "Application of the Two-Class Method Under FASB Statement No. 128, <i>Earnings per Share</i> , to Master Limited Partnerships"	Effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Earlier application is not permitted. This Issue should be applied retrospectively for all financial statements presented.
Issue 07-3, "Accounting for Nonrefundable Advance Payments for Goods or Services to Be Used in Future Research and Development Activities"	Effective for fiscal years beginning after December 15, 2007, and interim periods within those fiscal years. Apply prospectively to new contracts entered into on, or after, the effective date.
Issue 07-1, "Accounting for Collaborative Arrangements"	This Issue is effective for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years.
Issue 06-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards"	Apply prospectively to the income tax benefits of dividends declared on affected securities in fiscal years beginning after December 15, 2007, and interim periods within those fiscal years.
Issue 06-10, "Accounting for Collateral Assignment Split-Dollar Life Insurance Arrangements"	Effective for fiscal years beginning after December 15, 2007, including interim periods within those fiscal years.
Issue 06-4, "Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements"	Effective for fiscal years beginning after December 15, 2007.
Issue 06-1, "Accounting for Consideration Given by a Service Provider to a Manufacturer or Reseller of Equipment Necessary for an End-Customer to Receive Service From the Service Provider"	Effective for fiscal years beginning after June 15, 2007.
AICPA/AcSEC	
Significant Adoption Dates	
SOP 07-1, <i>Clarification of the Scope of the Audit and Accounting Guide Investment Companies and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies</i>	FSP SOP 07-1-1 indefinitely delays the effective date of SOP 07-1.
SSARS 17, <i>Omnibus Statement on Standards of Accounting and Review Services — 2008</i>	Effective for compilations and reviews for periods ending on or after December 31, 2008, with early adoption permitted.
SSARS 16, <i>Defining Professional Requirements in Statements on Standards for Accounting and Review Services</i>	Effective December 18, 2007.
SSARS 15, <i>Elimination of Certain References to Statements on Auditing Standards and Incorporation of Appropriate Guidance Into Statements on Standards for Accounting and Review Services</i>	Effective for periods ending on or after December 15, 2007.
AICPA Auditing Interpretation, Section 325, <i>Communicating Deficiencies in Internal Control Over Compliance in an Office of Management and Budget (OMB) Circular A-133 Audit</i>	Effective immediately (June 2007).
SSVS 1, <i>Valuation of a Business, Business Ownership Interest, Security, or Intangible Asset</i>	Effective for engagements accepted on or after January 1, 2008.
Projects in Request-for-Comment Stage	
SAS 114 (Redrafted), <i>The Auditor's Communication With Those Charged With Governance</i>	Comments due June 30, 2008.
SAS 103 (Redrafted), <i>Audit Documentaton</i>	Comments due June 30, 2008.
SEC	
Significant Adoption Dates	
SAB 110, codified as part of SAB Topic 14.D.2, "Share-Based Payment: Certain Assumptions Used in Valuation Methods — Expected Term"	Effective January 1, 2008.
SAB 109, <i>Written Loan Commitments Recorded at Fair Value Through Earnings</i>	Apply prospectively to commitments issued or modified in fiscal quarters beginning after December 15, 2007.
Final Rule, <i>Definition of Eligible Portfolio Company Under Investment Company Act of 1940</i>	Effective July 21, 2008.

Final Rule, <i>Revisions to Form S-11 to Permit Historical Incorporation by Reference</i>	Effective April 15, 2008.
Final Rule, <i>Electronic Shareholder Forums</i>	Effective February 25, 2008.
Final Rule, <i>Revisions to the Eligibility Requirements for Primary Securities Offerings on Forms S-3 and F-3</i>	The amendments to Forms S-3 and F-3 became effective January 28, 2008. The phase-in period for Form D electronic filing will begin on September 15, 2008, and will become mandatory on March 16, 2009.
Final Rule, <i>Electronic Filing and Revision of Form D Information</i>	Effective September 15, 2008.
Final Rule, <i>Acceptance From Foreign Private Issuers of Financial Statements Prepared in Accordance With International Financial Reporting Standards Without Reconciliation to U.S. GAAP</i>	Effective March 4, 2008. Foreign private issuers filing under IFRSs that have a fiscal year ending after November 15, 2007, and that want to exclude U.S. GAAP information from their filing, should contact the SEC staff in the Division of Corporation Finance if they want to file before the March 4, 2008, effective date.
Final Rule, <i>Prohibition of Fraud by Advisers to Certain Pooled Investment Vehicles</i>	Effective September 10, 2007.
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i>	Effective August 20, 2007.
Final Rule, <i>Definition of the Term Significant Deficiency</i>	Effective September 10, 2007.
Final Rule, <i>Shareholder Choice Regarding Proxy Materials</i>	Effective January 1, 2008, except Sections 240.14a-16(d)(3) and 240.14a-16(j)(3), which were effective October 1, 2007.
Final Rule, <i>Extension of Interactive Data Voluntary Reporting Program on the EDGAR System to Include Mutual Fund Risk/Return Summary Information</i>	Effective August 20, 2007.
Final Rule, <i>Amendments to Rules Regarding Management's Report on Internal Control Over Financial Reporting</i>	Effective August 27, 2007, except the amendment to Section 210.2-02T, which is effective from August 27, 2007, until June 30, 2009.
Final Rule, <i>Termination of a Foreign Private Issuer's Registration of a Class of Securities Under Section 12(g) and Duty to File Reports Under Section 13(a) or 15(d) of the Securities Exchange Act of 1934</i>	Effective June 4, 2007.
Final Rule, <i>Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies</i>	For nonaccelerated filers, auditor's attestation report on internal control over financial reporting must be included with annual reports for fiscal years ending on or after December 15, 2008. Management's report is required for fiscal years ending on or after December 15, 2007. For a newly public company, the requirement to provide either a management assessment of internal control over financial reporting or an auditor attestation report will be effective when the company files its second annual report with the SEC.
Final Rule, <i>Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Foreign Private Issuers That Are Accelerated Filers</i>	For foreign private issuers that are accelerated filers (but not large accelerated filers), the auditor's attestation report on internal control over financial reporting must be included with annual reports for fiscal years ending on or after July 15, 2007. Management's report is required for fiscal years ending on or after July 15, 2006.
Final Rule, <i>Delegation of Authority to the Director of the Division of Corporation Finance</i>	Effective February 7, 2008.
Final Rule, <i>Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports</i> (an extension of compliance date)	Effective for fiscal years ending on or after November 15, 2004, for certain "accelerated filers." Effective for fiscal years ending on or after July 15, 2007, for "nonaccelerated filers," including foreign private issuers that are not accelerated filers. Effective for fiscal years ending on or after July 15, 2006, for foreign private issuers that are accelerated filers and that file annual reports on Form 20-F or Form 40-F.
Final Rule, <i>Internet Availability of Proxy Materials; Regulation of Takeovers and Security Holder Communications; Cross-Border Tender and Exchange Offers, Business Combinations, and Rights Offerings; Certain Other Related Rule Corrections</i>	Effective April 1, 2008.
Final Rule, <i>Proposed Rule Changes of Self-Regulatory Organizations</i>	Effective April 28, 2008.
Projects in Request-for-Comment Stage	
Proposed Rule, <i>Revisions to the Cross-Boarder Tender Offer, Exchange Offer, and Business Combination Rules and Beneficial Ownership Reporting Rules for Certain Foreign Institutions</i>	Comments due June 23, 2008.
Proposed Rule, <i>Interactive Data to Improve Financial Reporting</i>	Comments due August 1, 2008.

PCAOB	Status
Significant Adoption Dates	
Auditing Standard 6, <i>Evaluating Consistency of Financial Statements</i>	If approved by the SEC, Auditing Standard 6 will become effective 60 days after the date of the Commission's approval.
Auditing Standard 5, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>	Effective for audits of fiscal years ending on or after November 15, 2007. Earlier adoption is permitted. Auditors who elect to comply with Auditing Standard 5 before its effective date must also comply, at the same time, with PCAOB Rule 3525 and other PCAOB standards as amended by this release.
Rule 3526, <i>Communication With Audit Committees Concerning Independence</i>	Effective, if approved by the SEC, on the later of September 30, 2008, or 30 days after SEC approval.
Rule 3525, <i>Audit Committee Pre-Approval of Non-Audit Services Related to Internal Control Over Financial Reporting</i>	Effective for audits of internal control for periods ending on or after November 15, 2007.
Rule 3523, <i>Tax Services for Persons in Financial Reporting Oversight Roles</i>	Rule will not apply to tax services being provided during the professional engagement period pursuant to an engagement in process as of April 19, 2006, as long as such services are completed on or before October 31, 2006. Rule will not apply to tax services being provided on or before July 31, 2007, as long as those services were performed during the audit period and completed before the beginning of the professional engagement period.
An amendment to Rule 3523, <i>Tax Services for Persons in Financial Reporting Oversight Roles</i>	Effective immediately once approved by the SEC; however, this Rule will not apply to tax services provided on or before December 31, 2008, when the services are provided during the audit period and completed before the beginning of the professional engagement period.
Document, <i>Order Approving Proposed Rule Change and Amendment No. 1 Thereto Relating to Inspections</i>	Effective November 2, 2007.
GASB/GAO	Status
Significant Adoption Dates	
Statement 52, <i>Land and Other Real Estate Held as Investments by Endowments</i>	Effective for periods beginning after June 15, 2008. Early adoption is encouraged.
Statement 51, <i>Accounting and Financial Reporting for Intangible Assets</i>	Effective for periods beginning after June 15, 2009.
Statement 50, <i>Pension Disclosures</i>	Generally effective for periods beginning after June 15, 2007, with early adoption encouraged. For governments using the aggregate actuarial cost method, related provisions are effective for financial statements and required supplementary information that contains information from actuarial valuations as of June 15, 2007, or later.
Statement 49, <i>Accounting and Financial Reporting for Pollution Remediation Obligations</i>	Effective for financial statements for periods beginning after December 15, 2007.
Statement 45, <i>Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions</i>	Effective for: <ul style="list-style-type: none"> • Phase 1 governments in periods beginning after December 15, 2006. • Phase 2 governments in periods beginning after December 15, 2007. • Phase 3 governments in periods beginning after December 15, 2008.
Statement 43, <i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>	Effective one year before the effective date of GASB Statement 45 for the employer in a single-employer plan or the largest participating employer in a multiple-employer plan.
Concepts Statement 4, <i>Elements of Financial Statements</i>	Effective June 2007.
Projects in Request-for-Comment Stage	
Exposure Draft, <i>Fund Balance Reporting and Governmental Fund Type Definitions</i>	Comments due June 30, 2008.
Exposure Draft, <i>Service Efforts and Accomplishments Reporting</i> — an amendment of GASB Concepts Statement No. 2	Written comments due July 3, 2008. A public hearing is scheduled to be held on July 29, 2008.
FASAB	Status
Significant Adoption Dates	
Technical Bulletin 2006-1, <i>Recognition and Measurement of Asbestos-Related Cleanup Costs</i>	Effective for periods beginning after September 30, 2009.
Statement 31, <i>Accounting for Fiduciary Activities</i>	Effective for periods beginning after September 30, 2008.
Technical Release 9, <i>Implementation Guide for Statement for FASAB 29: Heritage Assets and Stewardship Land</i>	Effective for reporting periods beginning after September 30, 2008, with early adoption permitted.

Technical Release 8, <i>Clarification of Standard Relating to Inter-Entity Costs</i>	Effective for reporting periods beginning after September 30, 2008, with early adoption permitted.
Concepts Statement 5, <i>Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements</i>	Effective December 26, 2007.
Project in Request-for-Comment Stage	
Concepts Statement Exposure Draft, <i>Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information</i>	Comments due June 26, 2008.
IASB/IFRIC	Status
Significant Adoption Dates	
<i>Improvements to IFRSs</i> — a collection of amendments to International Financial Reporting Standards	Most improvements are effective for annual periods beginning on or after January 1, 2009, with early adoption permitted. They should be applied retrospectively.
IFRS 8, <i>Operating Segments</i>	Effective for annual periods beginning on or after January 1, 2009.
IFRS 3 (revised), <i>Business Combinations</i>	Effective for business combinations in annual financial statements beginning on or after July 1, 2009. Early adoption is permitted provided that the standard is applied with IAS 27 (revised); the revised IFRS 3 is not applied in an accounting period beginning before June 30, 2007; and early adoption is disclosed.
Amendments to IFRS 2, <i>Share-based Payment</i> — Vesting Conditions and Cancellations	Effective for annual periods beginning on or after January 1, 2009.
Amendments to IAS 32, <i>Financial Instruments: Presentation</i> , and IAS 1, <i>Presentation of Financial Statements</i>	Effective for annual periods beginning on or after January 1, 2009, with early adoption permitted.
IAS 27 (revised), <i>Consolidated and Separate Financial Statements</i>	Effective for annual periods beginning on or after July 1, 2009. Early adoption is permitted provided that the standard is applied with IFRS 3 (revised); the revised IFRS 3 is not applied in an accounting period beginning before June 30, 2007; and early adoption is disclosed.
Amendment to IAS 23, <i>Borrowing Costs</i>	Effective for annual periods beginning on or after January 1, 2009.
IFRIC Interpretation 14, <i>IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction</i>	Effective for annual periods beginning on or after January 1, 2008.
IFRIC Interpretation 13, <i>Customer Loyalty Programmes</i>	Effective for annual periods beginning on or after July 1, 2008.
IFRIC Interpretation 12, <i>Service Concession Arrangements</i>	Effective for annual periods beginning on or after January 1, 2008.
Projects in Request-for-Comment Stage	
Discussion Paper, <i>Financial Instruments With Characteristics of Equity</i>	Comments due September 5, 2008.
Discussion Paper, <i>Reducing Complexity in Reporting Financial Instruments</i>	Comments due September 19, 2008.
Discussion Paper, <i>Preliminary Views on Amendments to IAS 19, Employee Benefits</i>	Comments due September 26, 2008.
Exposure Draft, <i>An Improved Conceptual Framework for Financial Reporting: Chapter 1, The Objective of Financial Reporting, and Chapter 2, Qualitative Characteristics and Constraints of Decision-useful Financial Reporting Information</i>	Comments due September 29, 2008.
Discussion Paper, <i>Preliminary Views on an Improved Conceptual Framework for Financial Reporting: The Reporting Entity</i>	Comments due September 29, 2008.

Appendix C: Glossary of Standards

FASB Statement No. 163, *Accounting for Financial Guarantee Insurance Contracts* — an interpretation of FASB Statement No. 60

FASB Statement No. 162, *The Hierarchy of Generally Accepted Accounting Principles*

FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements* — an amendment of ARB No. 51

FASB Statement No. 157, *Fair Value Measurements*

FASB Statement No. 141(R), *Business Combinations*

FASB Statement No. 141, *Business Combinations*

FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* — a replacement of FASB Statement No. 125

FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*

FASB Statement No. 125, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*

FASB Statement No. 107, *Disclosures About Fair Value of Financial Instruments*

FASB Statement No. 60, *Accounting and Reporting by Insurance Enterprises*

FASB Statement No. 57, *Related Party Disclosures*

FASB Statement No. 5, *Accounting for Contingencies*

FASB Preliminary Views, *Conceptual Framework for Financial Reporting: The Reporting Entity*

FASB Exposure Draft, *Conceptual Framework for Financial Reporting: The Objective of Financial Reporting and Qualitative Characteristics and Constraints of Decision-Useful Financial Reporting Information*

FASB Proposed Statement, *Not-for-Profit Organizations: Mergers and Acquisitions*

FASB Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others* — an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB Interpretation No. 34

FASB Interpretation No. 34 (Superseded), *Disclosure of Indirect Guarantees of Indebtedness of Others* — an interpretation of FASB Statement No. 5

FASB Staff Position No. SOP 94-3-1 and AAG HCO-1, "Omnibus Changes to Consolidation and Equity Method Guidance for Not-for-Profit Organizations"

FASB Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)"

Proposed FASB Staff Position No. FAS 157-c, "Measuring Liabilities Under FASB Statement No. 157"

Proposed FASB Staff Position No. 133-b and FIN 45-c, "Disclosures About Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45"

Proposed FASB Staff Position No. FAS 132(R)-a, "Employers' Disclosures About Postretirement Benefit Plan Assets"

Proposed FASB Staff Position No. ARB 43-a, "Amendment of the Inventory Provisions of Chapter 4 of ARB No. 43"

EITF Issue No. 97-1, "Implementation Issues in Accounting for Lease Transactions, Including Those Involving Special-Purpose Entities"

EITF Issue No. 96-21, "Implementation Issues in Accounting for Leasing Transactions Involving Special-Purpose Entities"

EITF Issue No. 90-19, "Convertible Bonds With Issuer Option to Settle for Cash Upon Conversion"

EITF Issue No. 90-15, "Impact of Nonsubstantive Lessors, Residual Value Guarantees, and Other Provisions in Leasing Transactions"

Accounting Research Bulletin No. 51, *Consolidated Financial Statements*

Accounting Research Bulletin No. 43, *Restatement and Revision of Accounting Research Bulletins*

AICPA Statement of Position 94-3, *Reporting of Related Entities by Not-for-Profit Organizations*

AICPA Audit and Accounting Guide, *Airlines*

AICPA Audit and Accounting Guide, *Brokers and Dealers in Securities*

AICPA Audit and Accounting Guide, *Entities With Oil and Gas Producing Activities*

AICPA Audit and Accounting Guide, *Health Care Organizations*

AICPA Audit and Accounting Guide, *Investment Companies*

AICPA Audit and Accounting Guide, *Not-for-Profit Organizations*

AICPA Statement on Auditing Standards No. 114, *The Auditor's Communication With Those Charged With Governance*

AICPA Statement on Auditing Standards No. 112, *Communicating Internal Control Related Matters Identified in an Audit*

AICPA Statement on Auditing Standards No. 103, *Audit Documentation*

AICPA Statement on Auditing Standards No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*

AICPA Statement on Auditing Standards No. 69 (AU Section 411), *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*

AICPA Proposed Statement on Auditing Standard No. 114 (Redrafted), *The Auditor's Communication With Those Charged With Governance*

AICPA Proposed Statement on Auditing Standards No. 103 (Redrafted), *Audit Documentation*

AICPA Statement on Standards for Attestation Engagements No. 10 (AT Section 501), *Reporting on an Entity's Internal Control Over Financial Reporting*

AICPA Code of Professional Conduct Rule 203, "Accounting Principles"

AICPA Code of Professional Conduct Rule 202, "Compliance With Standards"

AICPA Whitepaper, *The Shifting Paradigm in Business Reporting and Assurance*

AICPA Discussion Paper, *Improving the Clarity of ASB Standards*

SEC Final Rule, *Definition of Eligible Portfolio Company Under the Investment Company Act of 1940*

SEC Small-Entity Compliance Guide, *Shareholder Choice Regarding Internet Availability of Proxy Materials*

SEC Proposed Rule, *Interactive Data to Improve Financial Reporting*

SEC Proposed Rule, *Revisions to the Cross-Border Tender Offer, Exchange Offer, and Business Combination Rules and Beneficial Ownership Reporting Rules for Certain Foreign Institutions*

GASB Statement No. 14, *The Financial Reporting Entity*

Improvements to IFRSs (May 2008)

IFRS 7, *Financial Instruments: Disclosures*

IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*

IFRS 2, *Share-based Payment*

IFRS 1, *First-time Adoption of International Financial Reporting Standards*

IAS 41, *Agriculture*

IAS 40, *Investment Property*

IAS 39, *Financial Instruments: Recognition and Measurement*

IAS 38, *Intangible Assets*

IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*

IAS 36, *Impairment of Assets*

IAS 32, *Financial Instruments: Presentation*

IAS 31, *Interests in Joint Ventures*

IAS 29, *Financial Reporting in Hyperinflationary Economies*

IAS 28, *Investments in Associates*

IAS 27, *Consolidated and Separate Financial Statements*

IAS 23, *Borrowing Costs*

IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*

IAS 19, *Employee Benefits*

IAS 16, *Property, Plant and Equipment*

IAS 1, *Presentation of Financial Statements*

IFRIC Draft Interpretation D22, *Hedges of a Net Investment in a Foreign Operation*

IFRIC Draft Interpretation D21, *Real Estate Sales*

IFRIC Interpretation 11, *IFRS 2 — Group and Treasury Share Transactions*

IASB Exposure Draft, *An Improved Conceptual Framework for Financial Reporting: Chapter 1, The Objective of Financial Reporting, and Chapter 2, Qualitative Characteristics and Constraints of Decision-useful Financial Reporting Information*

IASB Discussion Paper, *Preliminary Views on an Improved Conceptual Framework for Financial Reporting: The Reporting Entity*

IASB Discussion Paper, *Reducing Complexity in Reporting Financial Instruments*

International Standard on Auditing No. 260 (Revised and Redrafted), *The Auditor's Communication With Those Charged With Governance*

International Standard on Auditing No. 230 (Redrafted), *Audit Documentation*

Appendix D: Abbreviations

AAG	AICPA Audit and Accounting Guide	IAASB	International Auditing and Assurance Standards Board
AcSEC	Accounting Standards Executive Committee	IAS	International Accounting Standard
AICPA	American Institute of Certified Public Accountants	IASB	International Accounting Standards Board
APB	Accounting Principles Board	IFRIC	International Financial Reporting Interpretations Committee
ARB	Accounting Research Bulletin	IFRS	International Financial Reporting Standard
ARC	annual required contribution	IPO	Initial Public Offering
ARSC	Accounting and Review Services Committee	ISA	International Standard on Auditing
ASB	Auditing Standards Board	MD&A	Management's Discussion and Analysis
AT	Attestation Standards	NPO	Not-for-profit organization
AU	U.S. Auditing Standards	PCAOB	Public Company Accounting Oversight Board
CAQ	Center for Audit Quality	Q&A	question and answers
CIFiR	SEC Advisory Committee on Improvements to Financial Reporting	SAS	Statement on Auditing Standards
EITF	Emerging Issues Task Force	SEC	Securities and Exchange Commission
FAF	Financial Accounting Foundation	SMEs	small and medium-sized entities
FAS	Financial Accounting Standard	SOP	Statement of Position
FASAB	Federal Accounting Standards Advisory Board	SSAE	Statement on Standards for Attestation Engagements
FASB	Financial Accounting Standards Board	SSARS	Statement on Standards for Accounting and Review Services
FSP	FASB Staff Position	SSVS	Statement on Standards for Valuation Services
GAAP	generally accepted accounting principles	VRG	Valuation Resource Group
GAAS	generally accepted auditing standards	XBRL	extensible business reporting language
GASB	Governmental Accounting Standards Board		
HFMA	Healthcare Financial Management Association		

Conclusions of the FASB, GASB, IASB, and IFRIC are subject to change at future meetings and generally do not affect current accounting requirements until an official position (e.g., Statement, Interpretation, Staff Position, or IFRS) is issued. Official positions are determined only after extensive deliberation and due process, including a formal vote.

Further information about the standard setters can be found on their respective Web sites as follows: www.fasb.org (FASB); www.fasb.org/eitf/agenda.shtml (EITF); www.aicpa.org (AICPA); www.sec.gov (SEC); www.fasab.gov (FASAB); www.gasb.org (GASB); and www.iasb.org — or on www.iasplus.com/index.htm (IASB and IFRIC).

Accounting Roundup is prepared by the National Office Accounting Standards and Communications Group of Deloitte. The purpose of this publication is to briefly describe key regulatory and professional developments that have recently occurred in the field of accounting and to provide links to locations where additional information can be found on each topic. Readers seeking additional information about a topic should review the information referred to in the hyperlinks and not rely solely on the descriptions included in this communication.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte, its affiliates, and related entities shall not be responsible for any loss sustained by any person who relies on this publication.

Subscriptions

If you wish to receive *Accounting Roundup* and other accounting publications issued by Deloitte's Accounting Standards and Communications Group, please [register](http://www.deloitte.com/us/subscriptions) at www.deloitte.com/us/subscriptions.

Technical Library: The Deloitte Accounting Research Tool

Deloitte makes available, on a subscription basis, access to its online library of accounting and financial disclosure literature. Called Technical Library: The Deloitte Accounting Research Tool, the library includes material from the FASB, the EITF, the AICPA, the PCAOB, the IASB, and the SEC, in addition to Deloitte's own accounting manuals and other interpretive accounting guidance.

Updated every business day, Technical Library has an intuitive design and navigation system that, along with its powerful search features, enable users to quickly locate information anytime, from any computer. In addition, Technical Library subscribers receive *Technically Speaking*, the weekly publication that highlights recent additions to the library.

For more information, including subscription details and an online demonstration, visit www.deloitte.com/us/techlibrary.