

Audit and Enterprise Risk Services

# Accounting Roundup.

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## *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.

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

- Wednesday, November 12, 3:00 p.m. (EST): [Procure-to-Pay and Commercial Card Programs: Driving Profits Through Next Generation Procurement Programs.](#)
- Tuesday, November 18: [EITF Roundup: Highlights of the November Meeting.](#)
- Thursday, November 20: [FIN 48: Are Your Risks Under Control?](#)
- Monday, November 24: [Converting From U.S. GAAP to IFRSs: It's Not Just About Accounting.](#)
- Wednesday, December 3: [Understanding the Proxy Process and Current Trends.](#)
- Wednesday, December 17: [Quarterly Accounting Roundup: An Update of Important Developments.](#)

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

## Upcoming Events

### Deloitte Power and Utilities IFRS Webcast Series

Deloitte will [host](#) a series of webcasts, beginning on November 7, 2008, to help executives in the power and utilities industry understand the implications of IFRSs. Webcast topics will include:

- An overview of the impact of IFRSs.
- The effects of IAS 32 and IAS 39 on energy transactions.
- IAS 12 on income taxes.
- IAS 16 on property, plant, and equipment.
- Regulatory assets and regulatory liabilities.

### SEC Forum on Small-Business Capital Formation

On November 20, 2008, the SEC will [host](#) a forum on small-business capital formation. The forum is an opportunity for participants to discuss the effects of recent market events on small businesses and to provide policy recommendations to the SEC. Forum topics will include:

- The effect of the Emergency Economic Stabilization Act of 2008.
- How to overcome barriers to raising capital.
- Mark-to-market accounting and its impact on small businesses.

## Leadership Changes

**AICPA:** Ernest Almonte has been named chairman of the AICPA.

**PCAOB:** The following persons have been named members of the 2009 Standing Advisory Group: Douglas J. Anderson, James D. Cox, Sharon S. Fierstein, Gail L. Hanson, Bernard K. Jarvis, Jamie S. Miller, Steven B. Rafferty, James V. Schnurr, R. Harold Schroeder, Paul J. Sobel, Thomas Tefft, David M. Becker, Samuel J. Ranzilla, and Lynn E. Turner.

## Deloitte Publications

Deloitte has issued the October 2008 edition of [IFRS Insights](#), a newsletter detailing new IFRS developments and updates. This month's issue includes the following topics:

- Eligibility of certain public companies for early IFRS adoption (feature article).
- IFRS considerations for mergers and acquisitions.
- A brief overview of IFRS 3.
- An IFRS case study.

### Accounting Standards and Communications Publications on Credit Crisis Accounting Considerations<sup>1</sup>

Publication	Title	Affects
<a href="#">October 2, 2008, Financial Reporting Alert</a>	<i>Accounting Considerations for Settlement Agreements Related to Auction Rate Securities</i>	Broker-dealers of, and investors in, auction rate securities.
<a href="#">October 24, 2008, Financial Reporting Alert</a>	<i>Accounting Considerations Related to Redemption Restrictions on Money Market Funds</i>	Entities that hold investments in money market funds.

<sup>1</sup> For additional publications on credit crisis accounting considerations, see "Other Resources" under articles in the FASB Developments section.

# FASB Developments

## FASB Issues Guidance on Measuring Fair Value of Financial Assets in an Inactive Market

**AFFECTS:** All entities.

**SUMMARY:** On October 10, 2008, the FASB issued [FSP FAS 157-3](#), which amends Statement 157 by incorporating “an example to illustrate key considerations in determining the fair value of a financial asset” in an inactive market. The FSP’s example emphasizes the following principles from Statement 157:

- *Objective of fair value* — The objective of fair value measurement is to determine the price that would be received to sell an asset “in an orderly transaction . . . that is not a forced liquidation or distressed sale” between market participants as of the measurement date. This objective does not change even when “there is little, if any, market activity for an asset” as of the measurement date.
- *Distressed transactions* — Paragraph 9(a) of the FSP states, “Even in times of market dislocation, it is not appropriate to conclude that all market activity represents forced liquidations or distressed sales. However, it is also not appropriate to automatically conclude that any transaction price is determinative of fair value.” The evaluation of whether individual transactions are forced (i.e., whether one of the parties is forced or otherwise compelled to transact) “depends on the facts and circumstances and may require the use of significant judgment.”
- *Relevance of observable data* — To be relevant to a fair value measurement, observable market data may need to be significantly adjusted. Paragraph 9(b) of the FSP gives an example of a situation in which the “volume and level of trading activity in the asset have declined significantly, the available prices vary significantly over time or among market participants, or the prices are not current . . . .” If the adjustment is significant, the measurement would be considered Level 3.
- *Management’s assumptions about nonperformance and liquidity risks* — The use of management’s internal “assumptions about future cash flows and appropriately risk-adjusted discount rates is acceptable” when there are no relevant observable market data. However, any assumptions or valuation techniques must take into account adjustments for nonperformance and liquidity risks that market participants would consider in valuing the asset.
- *Third-party pricing quotes* — Quotes and information obtained from brokers or pricing services “are not necessarily determinative if an active market does not exist for the financial asset” being measured. In addition, “an entity should place less reliance on quotes that do not reflect [actual] market transactions.”
- *Disclosures* — Although the FSP does not prescribe any new disclosure requirements, it emphasizes (1) Statement 157’s requirements for an entity to disclose significant unobservable inputs (Level 3 inputs) and (2) the MD&A fair value considerations addressed in the March 2008 and September 2008 letters sent by the SEC’s Division of Corporation Finance to certain financial institutions.

**NEXT STEPS:** The FSP became effective on October 10, 2008, and applies to prior periods for which financial statements have not yet been issued. Entities must account for revisions to fair value estimates resulting from the adoption of the FSP as a change in accounting estimate under Statement 154, but do not need to provide the disclosures required by that Statement.

**OTHER RESOURCES:** Deloitte’s [October 13, 2008, Heads Up](#) and [September 27, 2007, March 31, 2008, September 18, 2008](#), and [October 3, 2008, Financial Reporting Alerts](#). ●

## FASB Issues Exposure Draft on Subsequent Events

**AFFECTS:** All entities.

**SUMMARY:** On October 9, 2008, the FASB issued an [Exposure Draft \(ED\)](#) of a proposed Statement on events that occur after the balance sheet date but before the issuance of the financial statements (i.e., subsequent events). The proposed Statement distinguishes two types of subsequent events:

- *Recognized* — An entity must recognize in its financial statements subsequent events that involve conditions that were in effect as of the balance sheet date.
- *Nonrecognized* — An entity should not recognize in its financial statements subsequent events that only involve conditions that arose after the balance sheet date.

The ED also establishes accounting and disclosure requirements for the two subsequent-event types.

**NEXT STEPS:** Comments on the ED are due by December 8, 2008.

**OTHER RESOURCES:** For more information, see the [news release](#) on the FASB's Web site. ●

## FASB Issues Exposure Draft on Going Concern

**AFFECTS:** All entities.

**SUMMARY:** On October 9, 2008, the FASB issued an [ED](#) of a proposed Statement on management's responsibility to assess an entity's ability to continue as a going concern and on the preparation of such an entity's financial statements. The proposed Statement requires management to:

- Evaluate the ability of the reporting entity to continue as a going concern by taking into account "all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period."
- Disclose "when either financial statements are not prepared on a going concern basis or there is substantial doubt as to an entity's ability to continue as a going concern."

**NEXT STEPS:** Comments on the ED are due by December 8, 2008.

**OTHER RESOURCES:** For more information, see the [news release](#) on the FASB's Web site. ●

## FASB and IASB Issue Discussion Paper on Financial Statement Presentation

**AFFECTS:** All entities.

**SUMMARY:** On October 16, 2008, the FASB and IASB issued a [discussion paper \(DP\)](#) on proposed enhancements to financial statement presentation for public comment. The DP is an initial step toward developing a proposed Statement on this topic (expected in 2010). The DP delineates two primary "objectives of financial statement presentation":

- *Cohesiveness* — Information should be consistently presented to "ensure that a reader of financial statements can follow the flow of information through the different statements."
- *Disaggregation* — Information should be categorized by economic characteristics to allow financial statement users to estimate future cash flows.

The DP also proposes that financial statements include "information about an entity's ability to meet its financial commitments."

The following table<sup>2</sup> depicts the DP's proposed format for financial statement presentation:

Statement of Financial Position	Statement of Comprehensive Income	Statement of Cash Flows
<b>Business</b> • Operating assets and liabilities • Investing assets and liabilities	<b>Business</b> • Operating income and expenses • Investing income and expenses	<b>Business</b> • Operating cash flows • Investing cash flows
<b>Financing</b> • Financing assets • Financing liabilities	<b>Financing</b> • Financing asset income • Financing liability expenses	<b>Financing</b> • Financing asset cash flows • Financing liability cash flows
<b>Income taxes</b>	<b>Income taxes</b> on continuing operations (business and financing)	<b>Income taxes</b>
<b>Discontinued operations</b>	<b>Discontinued operations</b> , net of tax	<b>Discontinued operations</b>
<b>Equity</b>	<b>Other comprehensive income</b> , net of tax	<b>Equity</b>

In accordance with this classification scheme, an entity would:

- Include each of the above sections in its financial statements.
- Be able to choose the order of the sections and of the categories within the sections, and use this same order in each statement presented.
- Classify each asset and liability on the basis of its use (the "management approach") and disclose why it chose such classification.
- Present a single statement of comprehensive income.
- Use the "direct method" to prepare the statement of cash flows.
- Disclose, in the notes to the financial statements, a schedule reconciling cash flows to comprehensive income.

**NEXT STEPS:** Comments on the DP are due by April 14, 2009.

**OTHER RESOURCES:** For more information about the DP, see the [news release](#) and [Snapshot](#) on the FASB's Web site. ●

## FASB Decides to Propose FSP to Delay Effective Date for Interpretation 48 (Uncertain Tax Positions) for Private Entities

**AFFECTS:** Private entities.

**SUMMARY:** On October 15, 2008, the FASB decided to issue a proposed FSP that would defer the effective date of Interpretation 48 for all private entities to periods beginning after December 15, 2008 (i.e., it would affect financial statements for this reporting season). The Interpretation was originally effective for both public and nonpublic entities for fiscal years beginning after December 15, 2006. The deferral would give the FASB time to issue two additional proposed FSPs for public comment on applying the Interpretation to nonpublic entities and pass-through entities such as S corporations and partnerships.

**NEXT STEPS:** The proposed FSP should be exposed for comment shortly on the FASB's Web site.

**OTHER RESOURCES:** For [more information](#), see the FASB's Web site. ●

## FASB and IASB Announce Joint Response to Credit Crisis

**AFFECTS:** All entities.

**SUMMARY:** On October 16, 2008, the FASB and IASB announced a plan to respond to reporting issues attributable to the credit crisis. The boards will gather information on ways to improve current

<sup>2</sup> This table is reprinted directly from paragraph S5 of the DP.

financial reporting and on urgent accounting issues by:

- *Creating an advisory group* — The group will comprise “regulators, preparers, auditors, investors, and other users of financial statements” who have experience with global financial markets.
- *Holding public roundtables* — The boards will hold open forums in Asia, Europe, and North America to obtain public feedback. The first [roundtable](#) will be held on November 14, 2008, in London.

**NEXT STEPS:** Further details regarding the advisory group and public roundtables will be posted to the boards’ Web sites shortly.

**OTHER RESOURCES:** For more information, see the [news release](#) on the FASB’s Web site. ●

## FASB’s Valuation Resource Group Discusses Nine Fair Value Topics

**AFFECTS:** All entities.

**SUMMARY:** On September 23, 2008, the VRG<sup>3</sup> met to discuss various implementation and application issues associated with Statement 157, including the following:

- *IASB Expert Advisory Panel draft document* — On September 16, 2008, the IASB issued a [draft document](#) on fair value measurement and disclosure in inactive markets. Most VRG members indicated that the draft document contains helpful information on topics such as evaluation of available market information, use of information received from brokers and pricing services, and disclosures related to an entity’s control environment.

On September 30, 2008, the FASB and SEC jointly issued a [press release](#) containing questions and answers aimed at clarifying fair value measurement practices in the current environment. On October 10, 2008, the FASB issued FSP FAS 157-3, which clarifies the application of Statement 157 and includes an example illustrating the key principles for determining fair value in an inactive market. (See “[FASB Issues Guidance on Fair Value Measurement of Financial Assets in an Inactive Market](#)” article above.)

- *Observable versus unobservable inputs* — VRG members were asked whether an entity applying Statement 157 is required to use a “bad” Level 2 input (i.e., a Level 2 input adjusted by unobservable inputs) instead of a “good” Level 3 input. Most VRG members indicated that there is no such thing as a “bad” Level 2 input. Unobservable adjustments to a Level 2 input would result in a Level 3 input. If the Level 3 input is significant, the measurement would be classified as Level 3. Participants indicated that guidance on when it is appropriate to adjust observable Level 2 inputs for liquidity factors resulting from inactive markets would be beneficial.
- *Fair value measurement of liabilities under Statement 157* — VRG members were asked whether the fair value measurement of liabilities whose transfer is restricted varies in practice and whether the FASB should provide additional guidance on this issue. Many VRG members indicated that additional guidance would be useful.
- *Fair value of a noncontrolling interest (NCI) and a previously held equity interest* — VRG members were asked whether an entity should consider the premium paid to obtain controlling interest when measuring the remaining NCI or the previously held equity interest. Members agreed that the control premium paid for the controlling interest would not be used in the valuation of any remaining NCI. However, views differed on whether the control premium should be used in the measurement of the previously held equity interest. VRG members agreed that the issue is not addressed in Statement 141(R).

Other topics covered at the meeting include fair value disclosures, fair value measurement for accounts included in working capital, allocation of fair value to individual assets when an in-use valuation premise is employed, and identification and allocation of market participant synergies.

<sup>3</sup> The VRG was established to provide the FASB staff with information about implementation issues regarding fair value measurement 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.

**NEXT STEPS:** The next VRG meeting is tentatively scheduled for December 2008.

**OTHER RESOURCES:** Deloitte's [October 8, 2008, Heads Up](#). ●

# AICPA Developments

## AICPA Issues SAS on Communicating Internal-Control-Related Matters

**AFFECTS:** Auditors.

**SUMMARY:** In October 2008, the AICPA issued [SAS 115](#), which supersedes SAS 112's guidance on communicating internal-control-related matters identified during an audit. SAS 115 contains revised guidance on the following:

- The definitions of a material weakness and a significant deficiency.
- The list of control deficiencies that may indicate that a material weakness or significant deficiency exists.
- The example of a written communication to management and those charged with governance of material weaknesses or significant deficiencies identified.

**NEXT STEPS:** The SAS is effective for audits of financial statements for periods ending on or after December 15, 2009. Earlier application is permitted. ●

## AICPA Issues SSAE on Integrated Audits of Nonpublic Companies

**AFFECTS:** Entities and their auditors.

**SUMMARY:** In October 2008, the AICPA issued [SSAE 15](#), which supersedes SSAE 10 to provide guidance on integrated audits of nonpublic companies. Topics addressed in SSAE 15 include:

- The scope of the standard, which only includes audits of ICFR that are performed in conjunction with audits of financial statements.
- The requirement for **management** to provide a written report containing conclusions about ICFR that accompanies the auditor's report.
- The list of control deficiencies that may indicate that a material weakness exists.
- Audit scope considerations regarding:
  - o SME audits.
  - o Multilocation audits.
  - o Use of the work of others.
  - o Use of service organizations.
  - o Entity-level controls.
  - o Interim testing.
- An example of an auditor's written communication to management and those charged with governance of material weaknesses or significant deficiencies identified.

**NEXT STEPS:** The SSAE is effective for integrated audits for periods ending on or after December 15, 2008. Earlier application is permitted. ●

## AICPA Issues Exposure Draft on Conducting an Audit in Accordance With GAAS

- AFFECTS:** Auditors.
- SUMMARY:** On September 26, 2008, the AICPA issued an Exposure Draft of a [proposed SAS](#) on conducting an audit in accordance with GAAS. The proposed SAS, which supersedes SASs 1, 95, and 102, describes:
- An independent auditor's overall objectives and general responsibilities.
  - How the auditor can design an audit's nature and scope to meet those objectives.
  - The "scope, authority, and structure of GAAS."
- NEXT STEPS:** Comments on the proposed SAS are due by December 30, 2008.
- OTHER RESOURCES:** For [more information](#) on the proposed SAS, see the AICPA's Web site. ●

# SEC Developments

## SEC Extends Comment Period for Proposed Rule Redefining Annuity Contracts

- AFFECTS:** Insurance companies and entities with annuities.
- SUMMARY:** On October 10, 2008, the SEC extended the comment period for a [proposed rule](#) that redefines the terms "annuity contract" and "optional annuity contract" as used in Section 3(a)(8) of the Securities Act of 1933. The proposed rule (1) excludes certain indexed annuities from the scope of the 1933 Act and (2) exempts insurance companies with indexed annuities and other securities registered under the Securities Exchange Act of 1934 from the 1934 Act's reporting requirements, "provided that the securities are regulated under state insurance law, the issuing insurance company and its financial condition are subject to supervision and examination by a state insurance regulator, and the securities are not publicly traded." The proposed rule would apply prospectively (i.e., to contracts issued on or after its effective date).
- NEXT STEPS:** Comments on the proposed rule are now due by November 17, 2008. ●

## SEC Issues Letter Clarifying Impairment Guidance on Perpetual Preferred Securities

- AFFECTS:** Entities with investments in perpetual preferred securities (PPSs).
- SUMMARY:** On October 14, 2008, Conrad Hewitt, chief accountant of the SEC's Office of the Chief Accountant (OCA), sent a [letter](#) to FASB Chairman Robert Herz clarifying the OCA's views on the application of the other-than-temporary impairment (OTTI) guidance in Statement 115 to certain PPSs. In his letter, Mr. Hewitt stated that the OCA (after discussion with and agreement by the FASB staff) will not object to registrants' applying an OTTI model that is similar to the impairment model applied to debt securities to investments in PPSs that possess significant "debt-like" characteristics.
- Thus, an investor in a PPS with a fair value below cost that **is not** attributable to the credit deterioration of the issuer **may avoid** recognizing an other-than-temporary impairment by asserting that it has the intent and ability to continue holding the PPS for a sufficient period to allow for an anticipated recovery in market value. This assessment may include the intent and ability to hold the PPSs indefinitely.
- Mr. Hewitt stated that the views of the OCA are an intermediate step in addressing certain practice issues related to OTTI guidance and that the OCA has requested that the FASB "expeditiously address issues that have arisen in the application of the OTTI model in Statement 115."

**Editor's Note:** Application of the views in Mr. Hewitt's letter does not constitute a change in accounting principle under Statement 154. However, the SEC staff is encouraging registrants to disclose, in the notes to the financial statements, the model used to determine whether a security is considered other-than-temporarily impaired (e.g., Statement 115, Issue 99-20). In addition, Mr. Hewitt's letter encourages disclosure of the information considered in concluding that an impairment of a PPS is not other-than-temporary.

**NEXT STEPS:** The OCA's views apply to interim and annual financial statements issued after the October 14, 2008, letter.

**OTHER RESOURCES:** Deloitte's updated [October 17, 2008, Financial Reporting Alert](#). ●

## SEC Comments on Executive Compensation Disclosures

**AFFECTS:** Public entities.

**SUMMARY:** On October 21, 2008, John White, director of the SEC's Division of Corporation Finance (DCF), presented a [speech](#) highlighting the DCF's observations on the completeness of registrants' executive compensation disclosures reviewed over the past year. In his speech, Mr. White noted that the pervasive theme in the SEC's comments provided to registrants was that their disclosures need to contain more analysis. This message is consistent with the views that Mr. White and SEC Chairman Christopher Cox expressed in speeches last fall.

Mr. White explained that a registrant's CD&A should focus more on an analysis of material principles and important factors influencing the registrant's executive compensation policies and decisions. In other words, **how** and **why** did the company arrive at its policies and decisions? Registrants should consider discussing the following in the CD&A:

- The "material elements of compensation," including performance targets and peer group benchmarks.
- Specific factors they considered when approving each element of compensation for each named executive officer.
- Why or how decisions for one element affected another element.
- How the levels of compensation were determined, including why the amounts are appropriate.
- Why "compensation practices and decisions fit within [the registrant's] overall objectives and philosophy."

Mr. White also pointed out that the requirements for executive compensation packages under the Emergency Economic Stabilization Act of 2008 could result in new, modified, or terminated arrangements that should be disclosed in the CD&A.

**OTHER RESOURCES:** For more information, see Deloitte's [October 16, 2007, Heads Up](#) as well as its [Special Report](#) on the SEC's comment letters to domestic registrants. ●

## SEC Holds Roundtable on Transparent Disclosures

**AFFECTS:** Public entities.

**SUMMARY:** On October 8, 2008, the SEC held a [roundtable](#) to obtain feedback on a new system that will help registrants provide investors with more transparent disclosures. Topics discussed by the two roundtable panels include:

- The existing disclosure system.
- How an investor gathers information.
- Technology used to prepare disclosures.

- Use of disclosures by investors and companies.
- Ways the SEC can better manage the new disclosure system.
- Effective organization of information.

**NEXT STEPS:** Comments on the disclosure system were due by October 22, 2008. The SEC is expected to issue a final report by December 31, 2008.

**OTHER RESOURCES:** For more information, see the plan for the [21st Century Disclosure Initiative](#) on the SEC's Web site. ●

## SEC Begins Study of Mark-to-Market Accounting

**AFFECTS:** Public entities.

**SUMMARY:** On October 8, 2008, the SEC issued a [formal request for public comment](#) on the study of mark-to-market accounting it will conduct in accordance with the Emergency Economic Stabilization Act of 2008. (The Act requires the SEC to submit a report of the study's results to Congress by January 2, 2009.) The study will focus on:

- The effects of mark-to-market accounting standards, such as Statement 157, on a financial institution's balance sheet.
- The impact of fair value accounting on recent bank failures.
- The impact of mark-to-market accounting standards on the "quality of financial information available to investors."
- The FASB's process of developing accounting standards.
- The "advisability and feasibility of modifications" to the accounting standards.
- Alternative accounting standards to Statement 157.

On October 29, 2008, the SEC held the first of two [roundtables](#) on mark-to-market accounting. Topics discussed at the roundtables include:

- The "effect of mark-to-market accounting on financial reporting by financial institutions."
- The effects of mark-to-market accounting on market behavior.
- The "usefulness of mark-to-market accounting to investors and regulators."
- How current mark-to-market accounting standards can be improved.

**NEXT STEPS:** Comments on the study are due by November 13, 2008.

**OTHER RESOURCES:** For more information, see the [press release](#) on the SEC's Web site. ●

# PCAOB Developments

## PCAOB Proposes Seven Auditing Standards on Risk Assessment

**AFFECTS:** Auditors of public entities.

**SUMMARY:** On October 21, 2008, the PCAOB proposed for comment [seven auditing standards](#) on auditors' evaluation of and responses to audit risk. The proposed standards will require the application of a risk-based audit approach, including consideration of fraud, for all public-company audits. The proposed standards are as follows:

Proposed Standard	Auditor's Responsibilities
<i>Audit Risk in an Audit of Financial Statements</i>	To understand the components of audit risk and to obtain reasonable assurance by reducing audit risk to an appropriately low level.
<i>Audit Planning and Supervision</i>	To plan an audit and establish an appropriate audit plan, including the appropriate supervision and review by audit engagement management of work performed by the engagement team.
<i>Identifying and Assessing Risks of Material Misstatement</i>	To identify and assess risks of material misstatement.
<i>The Auditor's Responses to the Risks of Material Misstatement</i>	To respond to the risks of material misstatement by performing specific audit procedures.
<i>Evaluating Audit Results</i>	To evaluate the results of an audit, including an evaluation of uncorrected misstatements and control deficiencies identified, to form an opinion to be presented in the auditor's report.
<i>Consideration of Materiality in Planning and Performing an Audit</i>	To apply the concept of materiality in planning the audit and determine the scope of audit procedures.
<i>Audit Evidence</i>	To design and apply audit procedures to obtain sufficient appropriate evidence to support the audit opinion.

**NEXT STEPS:** Comments on the proposed standards are due by February 18, 2009.

**OTHER RESOURCES:** For more information, see the [news release](#) on the PCAOB's Web site. ●

## PCAOB Discusses Accomplishments in 2008 and Priorities for 2009

**AFFECTS:** Auditors of public entities.

**SUMMARY:** On October 22–23, 2008, the PCAOB's Standing Advisory Group held its annual meeting to discuss accomplishments and priorities. In 2008, the PCAOB completed the following standard-setting activities:

- Issued an auditing standard on evaluating consistency of financial statements.
- Adopted a rule on communications with audit committees concerning auditor independence.
- Amended a rule on tax services performed for persons in financial reporting oversight roles.
- Proposed seven auditing standards on risk assessment. (See "[PCAOB Proposes Seven Auditing Standards on Risk Assessment](#)" article above.)
- Proposed an auditing standard on engagement quality review.

The following priorities were identified for 2009:

- Adoption of auditing standards proposed in 2008.
- Proposal of new auditing standards on:
  - o Fair value and the use of specialists.
  - o Confirmations.
  - o Related parties.
- Issuance of guidance on audits of SMEs under Auditing Standard 5.
- Issuance of a concept release for comment on the PCAOB's review of interim standards that were initially adopted.
- Continued convergence with other standard setters (e.g., the IAASB).

**OTHER RESOURCES:** For more information, see the [meeting report](#) on the PCAOB's Web site. ●

# FASAB Developments

## FASAB Issues Standard on Reporting Gains and Losses Attributable to Changes in Pension Obligation Assumptions

**AFFECTS:** Federal government entities.

**SUMMARY:** On October 14, 2008, the FASAB issued [Statement 33](#), which provides guidance on disclosing the effects of “changes in long-term assumptions used to estimate federal employee pension, other retirement benefit and other postemployment benefit liabilities” in federal financial statements. Statement 33 requires the following:

- *Gains and losses from changes in assumptions* — These should be shown, separately from other costs, as a discrete line item in the statement of net cost. In addition, a reconciliation of beginning and ending liabilities should be disclosed in the notes to the financial statements. The line item for actuarial gains and losses in this reconciliation should be divided into subcategories for changes in assumptions and changes from experience.
- *Selection of discount rates for present valuations* — For present value measurements of long-term liabilities, an entity should use interest rates on marketable treasury securities whose maturities are similar to those of the cash flows being discounted. Discount rates should reflect the average historical rates on marketable treasury securities; companies should not give undue weight to recent experience with such rates.
- *Valuation dates* — The valuation date should be consistent from year to year. Generally, liabilities should be measured at the end of the fiscal year; however, measurements may be based on an actuarial valuation performed earlier in the fiscal year, as long as adjustments (or a rollforward) for effects of factor changes during the year are taken into account.

**NEXT STEPS:** Statement 33 is effective for periods beginning after September 30, 2009.

**OTHER RESOURCES:** For more information, see the [news release](#) on the FASAB’s Web site. ●

# International Developments

## IASB Issues Amendments Permitting Reclassification of Financial Instruments

**AFFECTS:** Entities reporting under IFRSs.

**SUMMARY:** On October 13, 2008, the IASB issued [amendments](#) to IAS 39 and IFRS 7 regarding the reclassification of financial instruments. The amendments are in response to calls from constituents, particularly within the European Union, to align the guidance on such reclassification in IFRSs with that in U.S. GAAP as a result of the recent credit deterioration in the global financial markets. The changes to IAS 39 permit an entity to reclassify, in limited circumstances, certain nonderivative financial assets out of the “fair value through profit and loss” and “available-for-sale” categories. In addition, the amendments to IFRS 7 require expanded disclosures about these assets.

**NEXT STEPS:** The amendments became effective on July 1, 2008.

**OTHER RESOURCES:** For more information, see the [press release](#) on the IASB’s Web site as well as the [October 2008 — Special Edition](#) of Deloitte Touche Tohmatsu’s *IAS Plus* Newsletter. ●

## IASB Proposes Amendments to Financial Instrument Disclosure Requirements

**AFFECTS:** Entities reporting under IFRSs.

**SUMMARY:** On October 14, 2008, the IASB issued an [Exposure Draft \(ED\)](#) proposing amendments to the financial instrument disclosure requirements in IFRS 7. The disclosures, which would be similar to those

required by Statement 157, include:

- The “level of the fair value hierarchy into which fair value measurements are categorized in their entirety.” This disclosure applies to the fair values of all financial instruments recognized in the balance sheet and disclosed in the notes to the financial statements.
- Any “fair value measurements resulting from the use of significant unobservable inputs to valuation techniques.” A reconciliation between beginning and ending balances is also required.
- Any “movements between different levels of the fair value hierarchy, and the reasons for those movements.”
- A “maturity analysis for derivative financial liabilities that is based on how the entity manages the liquidity risk associated with such instruments.”
- A “maturity analysis for non-derivative financial liabilities that shows the remaining contractual maturities for such financial liabilities.” Entities should also disclose the expected maturities for these financial liabilities.

The amendments would be effective for annual periods beginning on or after July 1, 2009. Earlier application would be permitted.

**NEXT STEPS:** Comments on the ED are due by December 15, 2008.

**OTHER RESOURCES:** For more information, see the [press release](#) on the IASB’s Web site. ●

## IASB Reveals Steps in Response to Credit Crisis

**AFFECTS:** Entities reporting under IFRSs.

**SUMMARY:** On October 3, 2008, the IASB issued a [press release](#) announcing the Board’s next steps in response to the credit crisis. These steps will include the following:

- Ensure that the guidance on fair value measurement in IFRSs is consistent with that in U.S. GAAP.
- Work with the FASB to respond to the effects of the U.S. Emergency Economic Stabilization Act of 2008 and other similar legislation on financial instrument valuations.
- Consider conforming the reclassification requirements in IAS 39 with those in U.S. GAAP.
- Participate in studies assessing “the quality of existing fair value information provided to investors and any impact of financial reporting on the credit crisis.”

**OTHER RESOURCES:** See “[IASB Issues Amendments Permitting Reclassification of Financial Instruments](#)” article above and “[Considerations Regarding the Emergency Economic Stabilization Act of 2008](#)” article below. ●

## IAASB Issues Seven Revised International Standards on Auditing

**AFFECTS:** Auditors performing audits in accordance with ISAs.

**SUMMARY:** On October 2, 2008, the IAASB issued seven revised ISAs:

- [ISA 200 \(Revised/Redrafted\), Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With International Standards on Auditing.](#)
- [ISA 320 \(Revised/Redrafted\), Materiality in Planning and Performing an Audit, and ISA 450 \(Revised/Redrafted\), Evaluation of Misstatements Identified During the Audit.](#)
- [ISA 530 \(Redrafted\), Audit Sampling.](#)
- [ISA 610 \(Redrafted\), Using the Work of Internal Auditors.](#)
- [ISA 705 \(Revised/Redrafted\), Modifications to the Opinion in the Independent Auditor’s Report.](#)

- [ISA 706 \(Revised/Redrafted\), \*Emphasis of Matter Paragraphs in the Independent Auditor's Report\*](#).

**NEXT STEPS:** The revised ISAs are effective for audits of financial statements for periods beginning on or after December 15, 2009.

**OTHER RESOURCES:** For more information, see the [press release](#) on IFAC's Web site. ●

## IAASB Issues Practice Alert on Auditing Fair Value

**AFFECTS:** Auditors performing audits in accordance with ISAs.

**SUMMARY:** On October 6, 2008, the IAASB issued a [Practice Alert](#) summarizing the ISA guidance on auditing fair value accounting estimates. Topics covered in the Alert include:

- Understanding the entity and its environment.
- Considering fraud.
- Designing and performing procedures to respond to the assessed risk of material misstatement.
- Using the work of an expert.
- Obtaining management representations.
- Communicating with those charged with governance.
- Evaluating disclosures about fair value.
- Considering the need for an emphasis-of-matter paragraph in the auditor's report.

**OTHER RESOURCES:** For guidance on auditing fair value accounting estimates, see [ISA 540 \(Revised/Redrafted\)](#) on the IFAC's Web site. ●

## IFAC Provides View Regarding International Standards on Auditing SMEs

**AFFECTS:** Auditors performing audits in accordance with ISAs.

**SUMMARY:** On October 1, 2008, IFAC issued a [position paper](#) arguing that a single set of auditing standards is appropriate for audits of large, medium-sized, and small entities. The position paper discusses:

- The appropriateness of current ISAs for SME audits.
- The "public interest implications" of using a separate set of standards for SME audits.
- IFAC's rationale for maintaining a single set of auditing standards for all audits.
- Joint projects between the IAASB and IFAC to address SME audits.

**NEXT STEPS:** Comments on the position paper can be sent by e-mail to [smeaudit@ifac.org](mailto:smeaudit@ifac.org).

**OTHER RESOURCES:** For more information, see the [press release](#) on IFAC's Web site. ●

# Other Developments

## Considerations Regarding the Emergency Economic Stabilization Act of 2008

**AFFECTS:** All entities.

**SUMMARY:** On October 3, 2008, President Bush signed into law the Emergency Economic Stabilization Act of 2008. The Act grants the secretary of the Treasury authority to purchase troubled assets from certain financial institutions. Such assets will be purchased through the Troubled Asset Relief Program

(TARP), which will be administered by the newly formed Office of Financial Stability. The “troubled assets” that financial institutions may sell are primarily “residential or commercial mortgages and any securities, obligations, or other instruments that are based on or related to such mortgages, that in each case was originated or issued on or before March 14, 2008,” but may also include any other financial instrument whose purchase is “necessary to promote financial market stability.” (Such a determination must be based on consultation with the chairman of the Federal Reserve and submitted in writing to the appropriate congressional committees.)

In addition to establishing the TARP, the Act requires the secretary to “establish a program to guarantee troubled assets originated or issued prior to March 14, 2008, including mortgage-backed securities.” The Act also includes provisions for the secretary to acquire, as part of the foreclosure mitigation efforts, mortgages, mortgage-backed securities, and other assets secured by residential real estate.

**OTHER RESOURCES:** For more information about the Act and the related accounting and reporting considerations, see Deloitte’s [October 14, 2008, \*Heads Up\*](#) and [October 6, 2008](#), and [October 13, 2008, \*Financial Reporting Alerts\*](#). ●

# Appendix A: Recent Meetings

## Recent FASB Meetings

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

### October 1, 2008

The Board discussed the following topics:

- [Applicability of Interpretation 48 for Private Entities.](#)
- [Mergers and Acquisitions by an NPO.](#)

### October 8, 2008

The Board discussed the following topic:

- [Mergers and Acquisitions by an NPO.](#)

### October 10, 2008

The Board discussed the following topic:

- [Determining Fair Value in a Market That Is Not Active.](#)

### October 15, 2008

The Board discussed the following topic:

- [Applicability of Interpretation 48 to Private Entities.](#)

### October 20–21, 2008

This was a joint meeting with the IASB. The boards discussed the following topics:

- [Conceptual Framework: Elements and Recognition.](#)
- [Consolidations.](#)
- Derecognition.
- Fair Value Measurement.
- [Financial Instruments With Characteristics of Equity.](#)
- [Financial Instruments: Complexity.](#)
- [Emissions Trading Schemes.](#)
- Liabilities.

### October 29, 2008

The Board discussed the following topics:

- [Disclosures About Plan Assets.](#)
- Assets and Liabilities Arising From Contingencies in a Business Combination.

## 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 October 2008. The next meeting is scheduled for November 12, 2008.

## Recent ASB Meetings

### October 27–30, 2008

The ASB discussed the following topics:

- Risk Assessments.
- SAS 74.
- Laws and Regulations.
- Related Parties.
- Initial Engagements.
- Required Supplementary Information/Supplementary Information.
- Audit Documentation.
- Auditor's Report.
- Audit Sampling.
- Subsequent Events and Subsequent Discovery.

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

The next meeting is scheduled for December 11–12, 2008.

## Recent AcSEC Meetings

No AcSEC meeting was held in October 2008.

## Recent PCAOB Meetings

### October 22–23, 2008

The PCAOB's Standing Advisory Group discussed the following topics:

- Audit Considerations in the Current Economic Environment.
- Feasibility of Audit Quality Indicators.
- Signing the Audit Report.
- Proposed Standard-Setting Activities.

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

## Recent FASAB Meetings

### October 22–23, 2008

The FASAB discussed the following topics:

- Administrative Matters.
- Social Insurance.
- Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information.

- PP&E Valuation.
- Appropriate Source for GAAP and GAAP Hierarchy.
- Measurement Attributes.
- Natural Resources.
- Federal Troubled Asset Relief Program Status Report.
- Federal Entity.
- Reporting Model Project.
- Update on Project Plans.

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

The next meeting is scheduled for December 17–18, 2008.

## Recent GASB Meetings

### October 14, 2008 (Teleconference)

The GASB discussed the following topics:

- Fund Balance Reporting.
- Public and Private Partnerships.

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

The next meeting is scheduled for November 4–6, 2008.

## Recent IASB Meetings

### October 2, 2008

The IASB discussed the following topics:

- IFRS 7.
- Staff Draft of Consolidation ED.
- Consolidation: Off-Balance-Sheet Risk.

The [agenda](#) is available on the IASB's Web site. For more information, see the [IASB Update](#) on the IASB's Web site.

### October 13–17, 2008

The IASB discussed the following topics:

- Annual Improvements: IAS 39 — Definition of a Derivative.
- Consolidation.
- Derecognition.
- ED of Proposed Amendments to IFRS 2 and IFRIC 11.
- Update on Expert Advisory Panel.
- Fair Value Measurement.
- Financial Instruments With Characteristics of Equity.
- IAS 39: Application of the Effective Interest Method.
- IFRSs for Private Entities.
- Insurance Contracts: Education Session.

- Reclassification of Financial Instruments.
- Technical Plan.
- U.S. Consolidation Amendments: Education Session.

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

### **October 20–21, 2008**

This was a joint meeting with the FASB. The boards discussed the following topics:

- Conceptual Framework: Elements and Recognition.
- Consolidations.
- Derecognition.
- Fair Value Measurement.
- Financial Instruments With Characteristics of Equity.
- Financial Instruments: Complexity.
- Emissions Trading Schemes.
- Liabilities.

The [agenda](#) is available on the IASB's Web site. For more information, see the [IASB Update](#) on the IASB's Web site.

The next meeting is scheduled for November 17–21, 2008.

### **Recent IFRIC Meetings**

No IFRIC meeting was held in October 2008. The next meeting is scheduled for November 6–7, 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. Content recently added or revised is highlighted in green.

FASB	Affects	Status
<b>Significant Adoption Dates</b>		
Statement 163, <i>Accounting for Financial Guarantee Insurance Contracts</i> — an interpretation of FASB Statement No. 60	Entities within the scope of Statement 60 that issue financial guarantee insurance (and reinsurance) contracts.	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. 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, early application is not permitted.
Statement 162, <i>The Hierarchy of Generally Accepted Accounting Principles</i>	All nongovernmental entities that apply U.S. GAAP.	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	All entities.	Effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged.
Statement 160, <i>Noncontrolling Interests in Consolidated Financial Statements</i> — an amendment of ARB No. 51	All entities that prepare consolidated financial statements, except not-for-profit organizations.	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. Early 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	All entities. Most provisions only apply to entities that elect the fair value option, but the amendments to Statement 115 apply to entities with available-for-sale and trading securities.	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)	All employers with defined benefit pension or other postretirement plans.	Recognition of the asset and liability related to funded status of a plan and disclosures: <ul style="list-style-type: none"> <li>• For entities with publicly traded equity securities, effective for fiscal years ending after December 15, 2006.</li> <li>• For all other entities, effective for fiscal years ending after June 15, 2007.</li> </ul> For all entities, change in measurement date is effective for fiscal years ending after December 15, 2008. Early adoption is permitted.
Statement 157, <i>Fair Value Measurements</i>	All entities.	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>	All entities except not-for-profit organizations, combinations between entities under common control, and formations of joint ventures.	Effective prospectively for fiscal years beginning on or after December 15, 2008. Early adoption is prohibited.
Interpretation 48, <i>Accounting for Uncertainty in Income Taxes</i> — an interpretation of FASB Statement No. 109	All entities with tax positions accounted for under FASB Statement 109, <i>Accounting for Income Taxes</i> .	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"	All employers with defined benefit pension plans or other postretirement plans.	Effective concurrently with the requirements of Statement 158.
FSP FAS 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active"	All entities.	Effective as of October 10, 2008, and applicable to prior periods for which financial statements have not yet been issued. Entities must account for revisions to fair value estimates resulting from the adoption of the FSP as a change in accounting estimate under Statement 154, but do not need to provide the disclosures required by that Statement.
FSP FAS 157-2, "Effective Date of FASB Statement No. 157"	All entities.	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"	All entities.	Effective upon the initial adoption of Statement 157.
FSP FAS 142-3, "Determination of the Useful Life of Intangible Assets"	All entities with 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. The guidance on determining the useful life of a recognized intangible asset must be applied prospectively only to intangible assets acquired after the FSP's effective date. Disclosure requirements are applied prospectively.
FSP FAS 140-3, "Accounting for Transfers of Financial Assets and Repurchase Financing Transactions"	Entities that enter into repurchase financing transactions.	Effective for financial statements issued for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. Early application is not permitted.
FSP FAS 133-1 and FIN 45-4, "Disclosures About Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133 and FASB Interpretation No. 45; and Clarification of the Effective Date of FASB Statement No. 161"	Sellers of credit derivatives and guarantors.	The provisions of the FSP that amend Statement 133 and Interpretation 45 are effective for reporting periods (annual or interim) ending after November 15, 2008. Early application is encouraged to provide comparatives at initial adoption. The clarification of the effective date of Statement 161 is effective on September 12, 2008.
FSP FAS 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds"	Not-for-profit organizations.	Effective for fiscal years ending after December 15, 2008. Earlier application is permitted provided that annual financial statements for that fiscal year have not been previously issued.
FSP FIN 48-2, "Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises"	Nonpublic entities.	Effective February 1, 2008.
FSP FIN 48-1, "Definition of <i>Settlement</i> in FASB Interpretation No. 48"	All entities with tax positions accounted for under FASB Statement No. 109, <i>Accounting for Income Taxes</i> .	Effective upon the initial adoption of Interpretation 48.
FSP FIN 46(R)-7, "Application of FASB Interpretation No. 46(R) to Investment Companies"	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"	Any entity that is a party to a master netting arrangement.	Effective for fiscal years beginning after November 15, 2007, with retrospective application as a change in accounting principle. Early application is permitted.

FSP EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities"	Entities with share-based payments.	Effective for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Prior-period EPS data must be adjusted retrospectively. Early adoption is not permitted.
FSP APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)"	All entities with convertible debt instruments.	Effective for financial statements issued for fiscal years (and interim periods within these fiscal years) beginning after December 15, 2008. Early adoption is not permitted. 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.
FSP SOP 07-1-1, "Effective Date of AICPA Statement of Position 07-1"	Companies that hold investments, including investments in equity securities, commodities, securities based on indices, derivatives, and real estate, as well as parent companies and equity method investors in investment companies.	Effective as of December 15, 2007. Indefinitely delays the effective date of SOP 07-1.
FSP SOP 94-3-1 and AAG HCO-1, "Omnibus Changes to Consolidation and Equity Method Guidance for Not-for-Profit Organizations"	Not-for-profit organizations.	Effective for fiscal years beginning after June 15, 2008, and for 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's changing its accounting (e.g., a change from cost method to equity method accounting for an investment in a for-profit partnership), a cumulative-effect adjustment is required at adoption.
FSP SOP 90-7-1, "An Amendment of AICPA Statement of Position 90-7"	Entities emerging from bankruptcy.	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"	Entities with derivative instruments.	Effective for hedging relationships designated on or after January 1, 2008.
<b>Projects in Request-for-Comment Stage</b>		
Proposed Statement, <i>Accounting for Transfers of Financial Assets</i> — an amendment of FASB Statement No. 140	All entities.	Comments due November 14, 2008.
Proposed Statement, <i>Amendments to FASB Interpretation No. 46(R)</i>	All entities.	Comments due November 14, 2008.
Proposed Statement, <i>Earnings per Share</i> — an amendment of FASB Statement No. 128	All entities.	Comments due December 5, 2008.
Proposed Statement, <i>Going Concern</i>	All entities.	Comments due December 8, 2008.
Proposed Statement, <i>Subsequent Events</i>	All entities.	Comments due December 8, 2008.
Proposed FSP FAS 144-d, "Amending the Criteria for Reporting a Discontinued Operation"	All entities.	Comments due January 23, 2009.
Discussion Paper, <i>Preliminary Views on Financial Statement Presentation</i>	All entities.	Comments due April 14, 2009.
<b>EITF</b>	<b>Affects</b>	<b>Status</b>
<b>Significant Adoption Dates</b>		
Issue 08-5, "Issuer's Accounting for Liabilities Measured at Fair Value With a Third-Party Credit Enhancement"	Entities that incur liabilities that have inseparable third-party credit enhancements, when the liability is measured or disclosed at fair value.	Effective beginning in the first reporting period after December 15, 2008. This Issue is to be applied prospectively, with the effect of initial application included in the change in fair value of the liability in the period of adoption. Early application is not permitted.
Issue 08-4, "Transition Guidance for Conforming Changes to Issue No. 98-5"	Entities that issue convertible debt securities and convertible preferred stock.	Effective for financial statements issued for fiscal years ending after December 15, 2008, with early adoption permitted. The impact of applying the conforming changes, if any, must be presented retrospectively for all periods presented, with a cumulative-effect adjustment to retained earnings as of the beginning of the first period presented.
Issue 08-3, "Accounting by Lessees for Maintenance Deposits Under Lease Arrangements"	Entities that are lessees.	Effective for fiscal years beginning after December 15, 2008 (and interim periods within these fiscal years). The Issue must be applied by recognizing the cumulative effect of the change in accounting principle in the opening balance of retained earnings as of the beginning of the fiscal year in which the Issue is initially applied. Earlier application is not permitted.
Issue 07-6, "Accounting for the Sale of Real Estate Subject to the Requirements of FASB Statement No. 66 When the Agreement Includes a Buy-Sell Clause"	Entities subject to the provisions of Statement 66.	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 07-5, "Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity's Own Stock"	Entities with derivative instruments.	Effective for fiscal years beginning after December 15, 2008 (and interim periods within these fiscal years). The Issue must be applied to outstanding instruments as of the beginning of the fiscal year in which the Issue is adopted as a cumulative-effect adjustment to the opening balance of retained earnings for that fiscal year. Earlier application is not permitted.
Issue 07-4, "Application of the Two-Class Method Under FASB Statement No. 128 to Master Limited Partnerships"	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 Received for Use in Future Research and Development Activities"	Entities engaged in 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"	Entities participating in 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"	Entities with share-based payment arrangements with dividend protection features.	Apply prospectively to the income tax benefits from 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"	Entities that purchase life insurance.	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"	Entities that purchase life insurance.	Effective for fiscal years beginning after December 15, 2007.
<b>AICPA/AcSEC</b>	<b>Affects</b>	<b>Status</b>
<b>Significant Adoption Dates</b>		
SAS 115, <i>Communicating Internal Control Related Matters Identified in an Audit</i>	Auditors.	Effective for audits of financial statements for periods ending on or after December 15, 2009. Earlier application is permitted.
Ethics Interpretation No. 501-8, "Failure to Follow Requirements of Governmental Bodies, Commissions, or Other Regulatory Agencies on Indemnification and Limitation of Liability Provisions in Connection With Audit and Other Attest Services"	AICPA members that provide audit or other attest services.	Effective July 31, 2008.
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>	Investment companies.	FSP SOP 07-1-1 indefinitely delays the effective date of SOP 07-1. Entities that early adopted before December 15, 2007, are permitted, but not required, to continue to apply the provisions of this SOP.
SSAE 15, <i>An Examination of an Entity's Internal Control Over Financial Reporting That Is Integrated With an Audit of Its Financial Statements</i>	Entities and their auditors.	Effective for integrated audits for periods ending on or after December 15, 2008. Earlier application is permitted.
SSARS 17, <i>Omnibus Statement on Standards of Accounting and Review Services — 2008</i>	AICPA members that provide compilation or review services to nonissuers.	Effective for compilations and reviews for periods ending on or after December 15, 2008, with early adoption permitted.
SSARS 16, <i>Defining Professional Requirements in Statements on Standards for Accounting and Review Services</i>	AICPA members that provide compilation or review services.	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>	AICPA members that provide compilation or review services.	Effective for periods ending on or after December 15, 2007.
SSVS 1, <i>Valuation of a Business, Business Ownership Interest, Security, or Intangible Asset</i>	AICPA members who are engaged to estimate the value of a business or intangible asset.	Effective for engagements accepted on or after January 1, 2008.
<b>Projects in Request-for-Comment Stage</b>		
Exposure Draft of an Audit and Accounting Guide, <i>Gaming</i>	Entities that engage in gaming activities and their auditors.	Comments due December 9, 2008.
Proposed SAS, <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With Generally Accepted Auditing Standards</i>	Auditors.	Comments due December 30, 2008.

SEC	Affects	Status
<b>Significant Adoption Dates</b>		
SAB 110, codified as part of SAB Topic 14.D.2, "Share-Based Payment: Certain Assumptions Used in Valuation Methods — Expected Term"	Public entities with share-based payments.	Effective January 1, 2008.
SAB 109, <i>Written Loan Commitments Recorded at Fair Value Through Earnings</i>	Public entities with loan commitments.	Apply prospectively to commitments issued or modified in fiscal quarters beginning after December 15, 2007.
Final Rule, <i>Amendments to Rules Regarding Management's Report on Internal Control Over Financial Reporting</i>	All public entities.	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>Shareholder Choice Regarding Proxy Materials</i>	All public entities.	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>Revisions to the Eligibility Requirements for Primary Securities Offerings on Forms S-3 and F-3</i>	Public entities and foreign private issuers that file Forms S-3 and F-3.	The amendments to Forms S-3 and F-3 became effective on 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>Technical Amendments to Forms MSD, MSDW, BD-N, BD, BDW, ADV, and ADVW and to Exchange Act Rules 15b1-1, 15b3-1, 15b6-1, 15Ba2-2, 15Bc3-1, 15Ca1-1, 15Ca2-1, 15Cc1-1, and 17a-3, and Advisers Act Rules 203-1, 203-3, and 204-1.</i>	All public entities.	Effective January 28, 2008.
Final Rule, <i>Amendment of Procedures for Payment of Fees</i>	All public entities.	Effective February 1, 2008.
Final Rule, <i>Delegation of Authority to the Director of the Division of Corporation Finance</i>	All public entities.	Effective February 7, 2008.
Final Rule, <i>Electronic Shareholder Forums</i>	All public entities.	Effective February 25, 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>	Foreign private issuers that prepare financial statements in accordance with IFRSs.	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>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>	All public entities.	Effective April 1, 2008.
Final Rule, <i>Revisions to Form S-11 to Permit Historical Incorporation by Reference</i>	Public entities that file Form S-11.	Effective April 15, 2008.
Final Rule, <i>Definitions of Terms and Exemptions Relating to the "Broker" Exception for Banks</i>	Banks subject to the Exchange Act.	Effective April 17, 2008.
Final Rule, <i>Proposed Rule Changes of Self-Regulatory Organizations</i>	Self-regulatory organizations.	Effective April 28, 2008.
Final Rule, <i>Disclosure of Divestment by Registered Investment Companies in Accordance With Sudan Accountability and Divestment Act of 2007</i>	Registered investment companies.	Effective April 30, 2008
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i>	All public entities.	Effective June 11, 2008.
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i>	All public entities.	Effective June 12, 2008.
Final Rule, <i>Commission Guidance and Amendment to the Rules Relating to Organization and Program Management Concerning Proposed Rule Changes Filed by Self-Regulatory Organizations</i>	Self-regulatory organizations.	Effective July 11, 2008.
Final Rule, <i>Definition of Eligible Portfolio Company Under Investment Company Act of 1940</i>	Eligible portfolio companies and business development companies.	Effective July 21, 2008.
Final Rule, <i>Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers</i>	Nonaccelerated filers.	Effective September 2, 2008; however, see "Effective Dates" section of rule for exceptions.

Final Rule, <i>Electronic Filing and Revision of Form D Information</i>	Public entities that file Form D.	Effective September 15, 2008; however, see "Effective Dates" section of rule for exceptions.
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i>	All public entities.	Effective September 24, 2008.
Final Rule, <i>Technical Amendment to Item 407 of Regulation S-K</i>	All public entities.	Effective September 30, 2008.
Final Rule, <i>Exemption From Registration Under Section 12(g) of the Securities Exchange Act of 1934 for Foreign Private Issuers</i>	Foreign private issuers.	Effective October 10, 2008.
Final Rule, <i>Foreign Issuer Reporting Enhancements</i>	Foreign private issuers.	Effective December 6, 2008.
Final Rule, <i>Commission Guidance and Revisions to the Cross-Border Tender Offer, Exchange Offer, Rights Offerings, and Business Combination Rules and Beneficial Ownership Reporting Rules for Certain Foreign Institutions</i>	Foreign private issuers.	Effective December 8, 2008.
Final Rule, <i>Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies</i>	Nonaccelerated filers and newly public companies.	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, 2009. (SEC Rule 33-8934 extended the effective date to December 15, 2009 from 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.
SEC Letter, Office of the Chief Accountant	Entities with investments in perpetual preferred securities.	The OCA's views apply to interim and annual financial statements issued after October 14, 2008 (the date of the letter).
<b>Projects in Request-for-Comment Stage</b>		
Interpretive Release, <i>Commission Guidance on the Use of Company Web Sites</i>	All public entities.	Comments due November 5, 2008.
Request for Comment, <i>SEC Study of Mark to Market Accounting</i>	All public entities.	Comments due November 13, 2008.
Proposed Rule, <i>Indexed Annuities and Certain Other Insurance Contracts</i>	Insurance companies and entities with annuities.	Comments due November 17, 2008.
<b>PCAOB</b>	<b>Affects</b>	<b>Status</b>
<b>Significant Adoption Dates</b>		
PCAOB Rule Release, <i>Rules on Periodic Reporting by Registered Public Accounting Firms</i>	Registered public accounting firms.	The rule will be submitted for SEC approval and will be effective 60 days after SEC approval. The firms will be subject to the special reporting obligations 90 days after SEC approval, and the first annual reporting requirements will be due by June 30, 2009, for the 12-month period ending March 31, 2009.
PCAOB Rule Release, <i>Rules on Succeeding to Registration Status of Predecessor Firm</i>	Registered public accounting firms involved in mergers or changes to the registered firm's legal form.	The rule will be submitted for SEC approval and will be effective 60 days after SEC approval. The firms will be subject to the special reporting obligations 90 days after SEC approval, and the first annual reporting requirements will be due by June 30, 2009, for the 12-month period ending March 31, 2009.
Auditing Standard 6, <i>Evaluating Consistency of Financial Statements</i>	All public entities and registered public accounting firms.	Effective November 15, 2008.
Auditing Standard 5, <i>An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements</i>	All public entities and registered public accounting firms.	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>	Registered public accounting firms.	Effective September 30, 2008.
Rule 3525, <i>Audit Committee Pre-Approval of Non-Audit Services Related to Internal Control Over Financial Reporting</i>	All public entities and registered public accounting firms.	Effective for audits of internal control for periods ending on or after November 15, 2007.
An amendment to Rule 3523, <i>Tax Services for Persons in Financial Reporting Oversight Roles</i>	Registered public accounting firms.	Effective August 22, 2008; 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>	Registered public accounting firms.	Effective November 2, 2007.
<b>Project in Request-for-Comment Stage</b>		
Proposed Auditing Standards on Risk Assessment	All public entities and registered public accounting firms.	Comments due February 18, 2009.
<b>GASB/GAO</b>	<b>Affects</b>	<b>Status</b>
<b>Significant Adoption Dates</b>		
Statement 53, <i>Accounting and Financial Reporting for Derivative Instruments</i>	Government entities with derivative instruments.	Effective for periods beginning after June 15, 2009. Early adoption is encouraged.
Statement 52, <i>Land and Other Real Estate Held as Investments by Endowments</i>	Endowments with land or other real estate.	Effective for periods beginning after June 15, 2008. Early adoption is encouraged.
Statement 51, <i>Accounting and Financial Reporting for Intangible Assets</i>	Government entities with intangible assets.	Effective for periods beginning after June 15, 2009. Early adoption is encouraged.
Statement 49, <i>Accounting and Financial Reporting for Pollution Remediation Obligations</i>	Government entities with pollution remediation obligations.	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>	Government entities with postretirement benefits other than pensions.	Effective for: <ul style="list-style-type: none"> <li>Phase 1 governments in periods beginning after December 15, 2006.</li> <li>Phase 2 governments in periods beginning after December 15, 2007.</li> <li>Phase 3 governments in periods beginning after December 15, 2008.</li> </ul>
Statement 43, <i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>	Government entities with postretirement benefits other than pensions.	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.
<b>FASAB</b>	<b>Affects</b>	<b>Status</b>
<b>Significant Adoption Dates</b>		
Technical Bulletin 2006-1, <i>Recognition and Measurement of Asbestos-Related Cleanup Costs</i>	U.S. federal government entities.	Effective for periods beginning after September 30, 2009. Early adoption is encouraged.
Statement 33, <i>Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses From Changes in Assumptions and Selecting Discount Rates and Valuation Dates</i>	U.S. federal government entities.	Effective for periods beginning after September 30, 2009.
Statement 31, <i>Accounting for Fiduciary Activities</i>	U.S. federal government entities.	Effective for periods beginning after September 30, 2008. Early adoption is not permitted.
Technical Release 9, <i>Implementation Guide for Statement for FASAB 29: Heritage Assets and Stewardship Land</i>	U.S. federal government entities.	Effective for reporting periods beginning after September 30, 2008, with early adoption encouraged.
Technical Release 8, <i>Clarification of Standard Relating to Inter-Entity Costs</i>	U.S. federal government entities.	Effective for reporting periods beginning after September 30, 2008, with early adoption encouraged.
Concepts Statement 5, <i>Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements</i>	U.S. federal government entities.	Effective December 26, 2007.
<b>Project in Request-for-Comment Stage</b>		
Exposure Draft, <i>Fiscal Sustainability Reporting</i>	U.S. federal government entities.	Comments due January 5, 2009.
<b>IASB/IFRIC</b>	<b>Affects</b>	<b>Status</b>
<b>Significant Adoption Dates</b>		
<i>Improvements to IFRSs</i> — a collection of amendments to International Financial Reporting Standards	Entities that apply IFRSs.	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>	Entities that apply IFRSs.	Effective for annual periods beginning on or after January 1, 2009.
IFRS 3 (revised), <i>Business Combinations</i>	Entities that apply IFRSs.	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 — Vesting Conditions and Cancellations</i>	Entities that apply IFRSs.	Effective for annual periods beginning on or after January 1, 2009. Early adoption is permitted.
Amendments to IAS 39 and IFRS 7, <i>Reclassification of Financial Assets</i>	Entities that apply IFRSs.	Effective as of July 1, 2008.
Amendment to IAS 39, <i>Financial Instruments: Measurement and Recognition</i>	Entities that apply IFRSs.	Effective retrospectively for annual periods beginning on or after July 1, 2009. Early adoption is permitted.
Amendments to IAS 32, <i>Financial Instruments: Presentation</i> , and IAS 1, <i>Presentation of Financial Statements</i>	Entities with financial instruments that meet the definition of a financial liability but represent the residual interest in the net assets of the entity and that apply IFRSs.	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>	Entities that apply IFRSs.	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>	Entities that apply IFRSs.	Effective for annual periods beginning on or after January 1, 2009. Early adoption is permitted.
IFRIC Interpretation 16, <i>Hedges of a Net Investment in a Foreign Operation</i>	Entities that apply IFRSs.	Effective prospectively for annual periods beginning on or after October 1, 2008. Early adoption is permitted.
IFRIC Interpretation 15, <i>Agreements for the Construction of Real Estate</i>	Entities that apply IFRSs.	Effective retrospectively for annual periods beginning on or after January 1, 2009. Early adoption is permitted.
IFRIC Interpretation 14, <i>IAS 19— The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction</i>	Entities that apply IFRSs.	Effective for annual periods beginning on or after January 1, 2008. Early adoption is permitted.
IFRIC Interpretation 13, <i>Customer Loyalty Programmes</i>	Entities that apply IFRSs.	Effective for annual periods beginning on or after July 1, 2008. Early adoption is permitted.
IFRIC Interpretation 12, <i>Service Concession Arrangements</i>	Entities that apply IFRSs.	Effective for annual periods beginning on or after January 1, 2008. Early adoption is permitted.
ISA 706 (Revised/Redrafted), <i>Emphasis of Matter Paragraphs in the Independent Auditor's Report</i>	Auditors subject to International Standards on Auditing.	Effective for audits of financial statements for periods beginning on or after December 15, 2009.
ISA 705 (Revised/Redrafted), <i>Modifications to the Opinion in the Independent Auditor's Report</i>	Auditors subject to International Standards on Auditing.	Effective for audits of financial statements for periods beginning on or after December 15, 2009.
ISA 610 (Redrafted), <i>Using the Work of Internal Auditors</i>	Auditors subject to International Standards on Auditing.	Effective for audits of financial statements for periods beginning on or after December 15, 2009.
ISA 550 (Revised/Redrafted), <i>Related Parties</i>	Auditors subject to International Standards on Auditing.	Effective for audits of financial statements for periods beginning on or after December 15, 2009.
ISA 530 (Redrafted), <i>Audit Sampling</i>	Auditors subject to International Standards on Auditing.	Effective for audits of financial statements for periods beginning on or after December 15, 2009.
ISA 450 (Revised/Redrafted), <i>Evaluation of Misstatements Identified During the Audit</i>	Auditors subject to International Standards on Auditing.	Effective for audits of financial statements for periods beginning on or after December 15, 2009.
ISA 320 (Revised/Redrafted), <i>Materiality in Planning and Performing an Audit</i>	Auditors subject to International Standards on Auditing.	Effective for audits of financial statements for periods beginning on or after December 15, 2009.
ISA 200 (Revised/Redrafted), <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With International Standards on Auditing</i>	Auditors subject to International Standards on Auditing.	Effective for audits of financial statements for periods beginning on or after December 15, 2009.
<b>Projects in Request-for-Comment Stage</b>		
Exposure Draft, <i>Improvements to IFRSs</i>	Entities that apply IFRSs.	Comments due November 7, 2008.
Exposure Draft, <i>Simplifying Earnings per Share: Proposed Amendments to IAS 33</i>	Entities that apply IFRSs.	Comments due December 5, 2008.
Exposure Draft, <i>Improving Disclosures About Financial Instruments: Proposed Amendments to IFRS 7</i>	Entities that apply IFRSs.	Comments due December 15, 2008.
Exposure Draft, <i>IPSAS 5, Borrowing Costs</i>	Public-sector entities that apply IFRSs.	Comments due January 7, 2009.
Exposure Draft, <i>Discontinued Operations — proposed amendments to IFRS 5</i>	Entities that apply IFRSs.	Comments due January 23, 2009.
Exposure Draft, <i>Additional Exemptions for First-time Adopters — proposed amendments to IFRS 1</i>	Entities that apply IFRSs.	Comments due January 23, 2009.
Discussion Paper, <i>Preliminary Views on Financial Statement Presentation</i>	Entities that apply IFRSs.	Comments due April 14, 2009.

# Appendix C: Glossary of Standards

FASB Statement No. 157, *Fair Value Measurements*

FASB Statement No. 154, *Accounting Changes and Error Corrections* — a replacement of APB Opinion No. 20 and FASB Statement No. 3

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

FASB Statement No. 115, *Accounting for Investments in Certain Debt and Equity Securities*

FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* — an interpretation of FASB Statement No. 109

FASB Staff Position No. FAS 157-3, “Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active”

FASB Exposure Draft, *Subsequent Events*

FASB Exposure Draft, *Going Concern*

FASB Discussion Paper, *Preliminary Views on Financial Statement Presentation*

EITF Issue No. 99-20, “Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets”

AICPA Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit*

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

AICPA Statement on Auditing Standards No. 102, *Defining Professional Requirements in Statements on Auditing Standards*

AICPA Statement on Auditing Standards No. 95, *Generally Accepted Auditing Standards*

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. 1, *Codification of Auditing Standards and Procedures*

AICPA Statement of Standards for Attestation Engagements No. 15, *An Examination of an Entity's Internal Control Over Financial Reporting That Is Integrated With an Audit of Its Financial Statements*

AICPA Statement of Standards for Attestation Engagements No. 10, *Attestation Standards: Revision and Recodification*

AICPA Proposed Statement on Auditing Standards, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With Generally Accepted Auditing Standards*

SEC Proposed Rule Release No. 33-8976, *Indexed Annuities and Certain Other Insurance Contracts*

SEC Request for Comment, *SEC Study of Mark to Market Accounting*

PCAOB Proposed Auditing Standard, *Audit Risk in an Audit of Financial Statements*

PCAOB Proposed Auditing Standard, *Audit Planning and Supervision*

PCAOB Proposed Auditing Standard, *Identifying and Assessing Risks of Material Misstatement*

PCAOB Proposed Auditing Standard, *The Auditor's Responses to the Risks of Material Misstatement*

PCAOB Proposed Auditing Standard, *Evaluating Audit Results*

PCAOB Proposed Auditing Standard, *Consideration of Materiality in Planning and Performing an Audit*

PCAOB Proposed Auditing Standard, *Audit Evidence*

FASAB Statement No. 33, *Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and*

*Losses From Changes in Assumptions and Selecting Discount Rates and Valuation Dates*

*IFRS 7, Financial Instruments: Disclosures*

*IFRS 3 (revised), Business Combinations*

*IFRS 2, Share-based Payment*

*IAS 39, Financial Instruments: Recognition and Measurement*

*IAS 32, Financial Instruments: Presentation*

*IAS 16, Property, Plant and Equipment*

*IAS 12, Income Taxes*

*IFRIC Interpretation 11, Group and Treasury Share Transactions*

*IAASB International Standard on Auditing No. 706 (Revised/Redrafted), Emphasis of Matter Paragraphs in the Independent Auditor's Report*

*IAASB International Standard on Auditing No. 705 (Revised/Redrafted), Modifications to the Opinion in the Independent Auditor's Report*

*IAASB International Standard on Auditing No. 610 (Redrafted), Using the Work of Internal Auditors*

*IAASB International Standard on Auditing No. 540 (Revised), Auditing Accounting Estimates and Related Disclosures (Other Than Those Involving Fair Value Measurements)*

*IAASB International Standard on Auditing No. 530 (Redrafted), Audit Sampling*

*IAASB International Standard on Auditing No. 450 (Revised/Redrafted), Evaluation of Misstatements Identified During the Audit*

*IAASB International Standard on Auditing No. 320 (Revised/Redrafted), Materiality in Planning and Performing an Audit*

*IAASB International Standard on Auditing No. 200 (Revised/Redrafted), Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With International Standards on Auditing*

*IAASB Staff Audit Practice Alert, Challenges in Auditing Fair Value Accounting Estimates in the Current Market Environment*

*IFAC Position Paper, IFAC's Support for a Single Set of Auditing Standards: Implications for Audits of Small- and Medium-sized Entities*

# Appendix D: Abbreviations

<b>AAG</b>	AICPA Audit and Accounting Guide	<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>AcSEC</b>	Accounting Standards Executive Committee	<b>IAS</b>	International Accounting Standard
<b>AICPA</b>	American Institute of Certified Public Accountants	<b>IASB</b>	International Accounting Standards Board
<b>APB</b>	Accounting Principles Board	<b>ICFR</b>	internal control over financial reporting
<b>ARB</b>	Accounting Research Bulletin	<b>IFAC</b>	International Federation of Accountants
<b>ASB</b>	Auditing Standards Board	<b>IFRIC</b>	International Financial Reporting Interpretations Committee
<b>AU</b>	U.S. Auditing Standards	<b>IFRS</b>	International Financial Reporting Standard
<b>CD&amp;A</b>	compensation discussion and analysis	<b>ISA</b>	International Standard on Auditing
<b>CPE</b>	continuing professional education	<b>MD&amp;A</b>	management's discussion and analysis
<b>DCF</b>	Division of Corporation Finance	<b>NCI</b>	noncontrolling interest
<b>DP</b>	discussion paper	<b>NPO</b>	not-for-profit organization
<b>ED</b>	Exposure Draft	<b>OCA</b>	Office of the Chief Accountant
<b>EDGAR</b>	Electronic Data Gathering, Analysis, and Retrieval System	<b>OTTI</b>	other-than-temporary impairment
<b>EITF</b>	Emerging Issues Task Force	<b>PCAOB</b>	Public Company Accounting Oversight Board
<b>EPS</b>	earnings per share	<b>PP&amp;E</b>	property, plant and equipment
<b>EST</b>	Eastern Standard Time	<b>PPS</b>	perpetual preferred security
<b>FAS</b>	Financial Accounting Standard	<b>SAB</b>	Staff Accounting Bulletin
<b>FASAB</b>	Federal Accounting Standards Advisory Board	<b>SAS</b>	Statement on Auditing Standards
<b>FASB</b>	Financial Accounting Standards Board	<b>SEC</b>	Securities and Exchange Commission
<b>FIN</b>	FASB Interpretation	<b>SMEs</b>	small and medium-sized entities
<b>FSP</b>	FASB Staff Position	<b>SOP</b>	Statement of Position
<b>GAAP</b>	generally accepted accounting principles	<b>SSAE</b>	Statement on Standards for Attestation Engagements
<b>GAAS</b>	generally accepted auditing standards	<b>SSARS</b>	Statement on Standards for Accounting and Review Services
<b>GAO</b>	Government Accountability Office	<b>SSVS</b>	Statement on Standards for Valuation Services
<b>GASB</b>	Governmental Accounting Standards Board	<b>VRG</b>	Valuation Resource Group
<b>HCO</b>	health care organization		

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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](http://www.fasb.org) (FASB); [www.fasb.org/eitf/agenda.shtml](http://www.fasb.org/eitf/agenda.shtml) (EITF); [www.aicpa.org](http://www.aicpa.org) (AICPA); [www.sec.gov](http://www.sec.gov) (SEC); [www.fasab.gov](http://www.fasab.gov) (FASAB); [www.gasb.org](http://www.gasb.org) (GASB); and [www.iasb.org](http://www.iasb.org) — or on [www.iasplus.com/index.htm](http://www.iasplus.com/index.htm) (IASB and IFRIC).

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