

Accounting Roundup.

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Roundup Flash

Roundup Flash briefly summarizes the decisions and news covered this month, highlighting the entities affected and next steps. To jump to the corresponding article in this issue, click a title below.

FASB Developments

FASB Issues Statement 159

- AFFECTS:** All entities.
- SUMMARY:** Statement 159¹ gives entities the option to carry most financial assets and liabilities at fair value, with changes in fair value recorded in earnings.
- NEXT STEPS:** Statement 159 is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the entity (1) makes that choice in the first 120 days of that fiscal year, (2) has not yet issued financial statements, and (3) elects to apply the provisions of Statement 157.²

FSP Updates Illustrations and Q&As for Statements 87, 88, and 106

- AFFECTS:** All entities with defined benefit postretirement plans.
- SUMMARY:** The FASB has issued FSP FAS 158-1,³ which updates the illustrations in the appendices of Statements 87,⁴ 88,⁵ and 106⁶ for the issuance of Statement 158⁷ while superseding and amending the Q&As in the Special Reports to Statements 87, 88, and 106.
- NEXT STEPS:** The amendments made by this FSP are effective as of the effective dates of Statement 158.⁸

FASB Issues Proposed FSP on Interpretation 48

- AFFECTS:** All entities.
- SUMMARY:** The FASB has released for public comment proposed FSP FIN 48-a.⁹ The proposed FSP would amend Interpretation 48¹⁰ and provide guidance on how an enterprise should determine whether a tax position is effectively settled when recognizing previously unrecognized tax benefits.
- NEXT STEPS:** Comments are due by March 28, 2007.

¹ FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* — including an amendment of FASB Statement No. 115.

² FASB Statement No. 157, *Fair Value Measurements*.

³ FASB Staff Position No. 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."

⁴ FASB Statement No. 87, *Employers' Accounting for Pensions*.

⁵ FASB Statement No. 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*.

⁶ FASB Statement No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions*.

⁷ FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* — an amendment of FASB Statements No. 87, 88, 106, and 132(R).

⁸ Under Statement 158, the recognition of the asset and liability related to the funded status of a plan and disclosures are effective (1) for entities with publicly traded equity securities, for fiscal years ending after December 15, 2006, or (2) for all other entities, for fiscal years ending after June 15, 2007. For all entities, the change in measurement date is effective for fiscal years ending after December 15, 2008.

⁹ Proposed FASB Staff Position No. FIN 48-a, "Definition of *Settlement* in FASB Interpretation No. 48."

¹⁰ FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* — an interpretation of FASB Statement No. 109.

Credit Loss Project Added to FASB's Agenda

- AFFECTS:** Entities with loans and finance leases.
- SUMMARY:** The FASB staff will be developing and enhancing disclosures related to the allowance for credit losses. These disclosures will include (1) information about credit quality in an entity's portfolio and (2) credit risk exposures, and may lead to greater transparency in an entity's accounting policies.
- NEXT STEPS:** The FASB will prepare an Exposure Draft.

AICPA Developments

AICPA Issues TPAs

- AFFECTS:** Insurance enterprises and their auditors.
- SUMMARY:** The AICPA has issued 11 new TPAs on SOP 05-11¹¹ that provide guidance on accounting for deferred acquisition costs in connection with modifications or exchanges of insurance contracts.
- NEXT STEPS:** Effective immediately.

AICPA Issues Interpretations on Compilation and Review of Financial Statements

- AFFECTS:** Accountants who perform compilation or review engagements.
- SUMMARY:** The Accounting and Review Services Committee of the AICPA has issued SSARS Interpretations 28¹² and 29¹³ to AR Section 100.¹⁴ Interpretation 28 provides guidance on, and examples illustrating, reports on special-purpose financial statements. Interpretation 29 provides guidance on the need for modifying a compilation or review report as a result of a material uncertainty or an entity's ability to continue as a going concern.

Practice Alert on Dating of Auditor's Report

- AFFECTS:** Auditors of nonissuers.
- SUMMARY:** This Practice Alert¹⁵ provides auditors of nonissuers with guidance on applying certain provisions of SAS 103,¹⁶ primarily those concerning the dating of an auditor's report.

AICPA Announces Center for Audit Quality

- SUMMARY:** The Center for Audit Quality (CAQ) is a nonprofit, nonpartisan organization launched on January 30, 2007, by the AICPA with sponsorship from eight leading public accounting firms. The CAQ's goal is to make investors and the capital markets more confident in the audit process by making audits of public companies more reliable and relevant.

¹¹ AICPA Statement of Position 05-1, *Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications or Exchanges of Insurance Contracts*.

¹² AICPA Statement on Standards for Accounting and Review Services (SSARS) Interpretation No. 28 (AR Section 9100.28), *Special-Purpose Financial Statements to Comply With Contractual Agreements or Regulatory Provisions*.

¹³ AICPA Statement on Standards for Accounting and Review Services (SSARS) Interpretation No. 29 (AR Section 9100.29), *Reporting on an Uncertainty, Including an Uncertainty About an Entity's Ability to Continue as a Going Concern*.

¹⁴ AICPA Professional Standards, AR Section 100, "Compilation and Review of Financial Statements."

¹⁵ AICPA Practice Alert 2007-1, *Dating of the Auditor's Report and Related Practical Guidance*.

¹⁶ AICPA Statement on Auditing Standards No. 103 (AU Section 339), *Audit Documentation*.

SEC Developments

Roundtable on IFRS “Roadmap”

- AFFECTS:** Foreign private issuers filing under IFRSs and their auditors.
- SUMMARY:** On March 6, 2007, the SEC will hold a roundtable conference to discuss the “roadmap” for IFRSs. Currently, non-U.S. companies filing reports with the SEC under IFRSs are required to reconcile their financial statements to U.S. GAAP. The roadmap’s key objectives are to eliminate this reconciliation requirement and allow use of either U.S. GAAP or IFRSs for financial statement submissions to the SEC.
- NEXT STEPS:** The roundtable conference will be held on March 6, 2007, at the SEC’s headquarters in Washington, D.C.

SEC Names Deputy Chief Accountant

- SUMMARY:** The SEC has appointed James L. Kroeker, a former partner in the National Office Accounting Services Group of Deloitte & Touche LLP, deputy chief accountant in the Office of the Chief Accountant. The deputy chief accountant is responsible for resolution of accounting issues, rule-making projects, and oversight of standard-setting efforts in private-sector accounting.

FASAB Developments

Preliminary Views on Accounting for Social Insurance

- AFFECTS:** Those who use, prepare, and audit federal financial statements.
- SUMMARY:** The FASAB is seeking input on two views on accounting for social insurance, presented in a Preliminary Views document, *Accounting for Social Insurance, Revised*. The primary view is that a liability arises, and an expense is incurred, when participants substantially meet eligibility requirements during their working lives in covered employment. The alternative view is that a liability arises, and an expense is incurred, when the participants have met all the eligibility requirements and the benefit amount is “due and payable.”
- NEXT STEPS:** Comments are due by April 16, 2007.

Exposure Draft on NASA’s Space Exploration Equipment

- AFFECTS:** National Aeronautics and Space Administration (NASA) and its auditors.
- SUMMARY:** The Technical Release¹⁷ provides guidance on NASA’s accounting for its space exploration equipment — specifically, treating acquisition or development costs as research and development costs.
- NEXT STEPS:** Comments were due by March 2, 2007.

FASAB Establishes Fiscal Sustainability Task Force

- AFFECTS:** Those who use, prepare, and audit federal financial statements.
- SUMMARY:** The FASAB has established a Fiscal Sustainability Task Force to develop recommendations for reporting on the fiscal sustainability of the federal government’s policies. The FASAB chairman expects that the Task Force’s findings will include information about the national economy, the size of the federal budget, and current fiscal trends.
- NEXT STEPS:** The Task Force is scheduled to meet in early April and is expected to provide recommendations to the FASAB before the end of 2007.

¹⁷ Exposure Draft of Federal Financial Accounting Technical Release, *Clarification of Standards Relating to the National Aeronautics and Space Administration’s Space Exploration Equipment*.

International Developments

Exposure Draft on Financial Reporting by Small and Medium-Sized Entities

- AFFECTS:** Small and medium-sized nonlisted entities.
- SUMMARY:** The IASB has issued an Exposure Draft¹⁸ of an IFRS for small and medium-sized entities (SMEs). The proposed standard would provide SMEs with a simplified, self-contained set of accounting principles based on the same underlying principles as full IFRSs, but would reduce the volume of such guidance by more than 85 percent.
- NEXT STEPS:** Comments are due by October 1, 2007.

Exposure Draft Proposes Amendments to Related-Party Disclosures

- AFFECTS:** Entities that report under IFRSs.
- SUMMARY:** The IASB has published for public comment an Exposure Draft¹⁹ of proposed amendments to IAS 24.²⁰ This Exposure Draft proposes an exemption from the disclosure requirements for entities related only because of being controlled or significantly influenced by the state. The Exposure Draft also would amend the definition of “related party” both for clarification and to remove any inconsistencies.
- NEXT STEPS:** Comments are due by May 25, 2007.

Extension of Comment Period on Fair Value Measurements

- AFFECTS:** Entities that report under IFRSs.
- SUMMARY:** On November 30, 2006, the IASB issued a discussion paper, “Fair Value Measurements.” The original deadline for public comment was April 2, 2007; however, given the significance of the issues discussed, the IASB has extended this deadline.
- NEXT STEPS:** Comments are due by May 4, 2007.

¹⁸ IASB Exposure Draft, *IFRS for Small and Medium-sized Entities*.

¹⁹ IASB Exposure Draft, *Amendments to IAS 24, Related Party Disclosures*.

²⁰ IAS 24, *Related Party Disclosures*.

Roundup Articles

FASB Developments

FASB Issues Statement 159

The FASB has issued Statement 159,²¹ which permits an entity to measure certain financial assets and financial liabilities at fair value. The Statement's objective is to improve financial reporting by allowing entities to mitigate volatility in reported earnings caused by the measurement of related assets and liabilities using different attributes, without having to apply complex hedge accounting provisions.

Under Statement 159, entities that elect the fair value option will report unrealized gains and losses in earnings at each subsequent reporting date. The fair value option may be elected on an instrument-by-instrument basis, with a few exceptions, as long as it is applied to the instrument in its entirety. The fair value option election is irrevocable, unless a new election date occurs.

The new Statement establishes presentation and disclosure requirements to help financial statement users understand the effect of the entity's election on its earnings, but does not eliminate disclosure requirements of other accounting standards. Assets and liabilities that are measured at fair value must be displayed on the face of the balance sheet.

Statement 159 is effective as of the beginning of an entity's first fiscal year beginning after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the entity (1) makes that choice in the first 120 days of that fiscal year, (2) has not yet issued financial statements, and (3) elects to apply the provisions of Statement 157.²²

The Statement's [full text](#), as well as a [press release](#) announcing it, is available on the FASB's Web site. For additional information, see Deloitte & Touche LLP's [February 22, 2007, Heads Up](#).

FSP Updates Illustrations and Q&As for Statements 87, 88, and 106

Statement 158²³ amended the recognition provisions, but not the illustrations contained in the appendices, of Statements 87,²⁴ 88,²⁵ and 106²⁶ to require recognition of the funded status of defined benefit postretirement plans in an employer's statement of financial position.

As a result, the FASB has issued FSP FAS 158-1,²⁷ which updates the illustrations in the appendices of Statements 87, 88, and 106 for the issuance of Statement 158.

This FSP would also supersede the following Special Reports, amending the questions and answers contained in them and incorporating that guidance as new appendices to Statements 87, 88, and 106, respectively:

- "A Guide to Implementation of Statement 87 on Employers' Accounting for Pensions."
- "A Guide to Implementation of Statement 88 on Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits."
- "A Guide to Implementation of Statement 106 on Employers' Accounting for Postretirement Benefits Other Than Pensions."

²¹ FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* — including an amendment of FASB Statement No. 115.

²² FASB Statement No. 157, *Fair Value Measurements*.

²³ FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* — an amendment of FASB Statements No. 87, 88, 106, and 132(R).

²⁴ FASB Statement No. 87, *Employers' Accounting for Pensions*.

²⁵ FASB Statement No. 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*.

²⁶ FASB Statement No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions*.

²⁷ FASB Staff Position No. 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."

The FSP does not change any provisions of Statement 158, nor does it provide any additional implementation guidance. The amendments made by this FSP are effective as of the effective dates of Statement 158.²⁸

The text of [FSP FAS 158-1](#) is available on the FASB's Web site.

FASB Issues Proposed FSP on Interpretation 48

The FASB has released for public comment proposed FSP FIN 48-a.²⁹ The proposed FSP would amend Interpretation 48³⁰ and provide guidance on how an enterprise should determine whether a tax position is effectively settled when recognizing previously unrecognized tax benefits.

The proposed FSP addresses whether it is appropriate to recognize a previously unrecognized tax benefit when the only factor that has changed is the completion of an examination or audit by a taxing authority. In doing so, the proposed FSP would amend the term "ultimately settled," as used in paragraph 10(b) of Interpretation 48, to "effectively settled." Under the proposed FSP, a previously unrecognized tax benefit may be subsequently recognized if the tax position is effectively settled through examination, negotiation, or litigation. The proposed FSP would require that the following conditions be met before a tax position can be considered effectively settled upon the completion of an examination:

- The taxing authority has completed its examination procedures, including all appeals and administrative reviews that the taxing authority is required or expected to perform for the tax position.
- The enterprise does not intend to appeal or litigate any aspect of the tax position for the completed examination.
- Based on the taxing authority's widely understood policy, the enterprise considers it highly unlikely that the taxing authority would subsequently examine or reexamine any aspect of the tax position included in the completed examination, presuming the taxing authority has full knowledge of all relevant information.

The proposed FSP would be effective upon the initial adoption of Interpretation 48.

Comments are due by March 28, 2007. The text of [proposed FSP FIN 48-a](#) is available on the FASB's Web site.

Credit Loss Project Added to FASB's Agenda

The FASB has added a project on the allowance for credit losses related to loans and finance leases (financing receivables) to its technical agenda. The FASB staff will be developing new disclosures and enhancing existing disclosures related to the allowance for credit losses. These disclosures will include (1) information about credit quality in an entity's portfolio and (2) credit risk exposures, and may lead to greater transparency in an entity's accounting policies.

AICPA Developments

AICPA Issues TPAs

The AICPA has issued 11 new TPAs on SOP 05-1.³¹ This SOP provides guidance on accounting by insurance enterprises for deferred acquisition costs on internal replacements of insurance and investment contracts other than those specifically described in Statement 97.³² The TPAs address the following topics:

²⁸ Under Statement 158, the recognition of the asset and liability related to the funded status of a plan and disclosures are effective (1) for entities with publicly traded equity securities, for fiscal years ending after December 15, 2006, or (2) for all other entities, for fiscal years ending after June 15, 2007. For all entities, the change in measurement date is effective for fiscal years ending after December 15, 2008.

²⁹ Proposed FASB Staff Position No. FIN 48-a, "Definition of *Settlement* in FASB Interpretation No. 48."

³⁰ FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* — an interpretation of FASB Statement No. 109.

³¹ AICPA Statement of Position 05-1, *Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications or Exchanges of Insurance Contracts*.

³² FASB Statement No. 97, *Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses From the Sale of Investments*.

- Integrated/nonintegrated contract features.
- Evaluation of significance of modification.
- Changes in investment management fees and other administrative charges.
- Definition of “reunderwriting” in SOP 05-1.
- Contract reinstatements.
- Commissions paid on an increase in insurance coverage or incremental deposits.
- Participating dividends and the interaction of guidance in SOP 05-1 and SOP 95-1.³³
- Premium changes to Statement 60³⁴ long-duration contracts.
- Evaluation of changes under paragraph .15(a) of SOP 05-1.
- Nature of investment return rights in paragraph .15(b) of SOP 05-1.
- Transition provisions for Statement 60 long-duration contracts under SOP 05-1.

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

AICPA Issues Interpretations on Compilation and Review of Financial Statements

The Accounting and Review Services Committee of the AICPA has issued SSARS Interpretations 28³⁵ and 29³⁶ to AR Section 100.³⁷

Interpretation 28 provides guidance on the reporting on special-purpose financial statements that are prepared either (1) in compliance with a contractual agreement or regulatory provision that does not constitute a complete presentation of the entity's assets, liabilities, revenues, and expenses, but is otherwise prepared in conformity with GAAP or another comprehensive basis of accounting, **or** (2) prepared on a basis of accounting prescribed in an agreement that does not result in a presentation in conformity with GAAP or another comprehensive basis of accounting. The Interpretation also provides illustrative examples of compilation and review reports on special-purpose financial statements.

Interpretation 29 provides guidance on the need for modifying a compilation or review report as a result of (1) uncertainty about the entity's ability to continue as a going concern, **or** (2) a material uncertainty other than a going concern. The Interpretation also discusses the ability of an accountant compiling financial statements to omit disclosures required by U.S. GAAP provided that the report clearly indicates the omission and the decision to omit was not made to mislead financial statement users.

The text of [Interpretation 28](#) and [Interpretation 29](#) is available on the AICPA's Web site.

Practice Alert on Dating of Auditor's Report

The AICPA's Professional Issues Task Force issued a Practice Alert³⁸ that contains guidance on applying certain provisions of SAS 103,³⁹ including the dating of an auditor's report. In December 2005, the ASB issued SAS 103, which amended AU Section 530⁴⁰ and requires that “the auditor's report should not be dated earlier than the date on which the auditor has obtained sufficient appropriate audit evidence to support the opinion.”

³³ AICPA Statement of Position 95-1, *Accounting for Certain Insurance Activities of Mutual Life Insurance Enterprises*.

³⁴ FASB Statement No. 60, *Accounting and Reporting by Insurance Enterprises*.

³⁵ AICPA Statement on Standards for Accounting and Review Services (SSARS) Interpretation No. 28 (AR Section 9100.28), *Special-Purpose Financial Statements to Comply With Contractual Agreements or Regulatory Provisions*.

³⁶ AICPA Statement on Standards for Accounting and Review Services (SSARS) Interpretation No. 29 (AR Section 9100.29), *Reporting on an Uncertainty, Including an Uncertainty About an Entity's Ability to Continue as a Going Concern*.

³⁷ AICPA *Professional Standards*, AR Section 100, “Compilation and Review of Financial Statements.”

³⁸ AICPA Practice Alert 2007-1, *Dating of the Auditor's Report and Related Practical Guidance*.

³⁹ AICPA Statement on Auditing Standards No. 103 (AU Section 339), *Audit Documentation*.

⁴⁰ AICPA *Professional Standards*, AU Section 530, “Dating of the Independent Auditor's Report.”

The Practice Alert discusses obtaining sufficient audit evidence to support financial statement amounts and disclosures, including attorney letters, waivers, subsequent events, and management representations.

The text of the [Practice Alert](#) is available on the AICPA's Web site.

AICPA Announces Center for Audit Quality

The Center for Audit Quality (CAQ) is a nonprofit, nonpartisan organization launched on January 30, 2007, by the AICPA with sponsorship from eight leading public accounting firms. The CAQ is led by a 12-member governing board comprising CEOs from the six largest public accounting firms and the president of the AICPA, with two member seats rotating among smaller and mid-tier audit firms. The governing board will also be represented by three public members who have yet to be announced.

The CAQ's goal is to make investors and the capital markets more confident in the audit process by making audits of public companies more reliable and relevant. Other issues the CAQ will address are auditor liability limitations from litigation and audits of internal financial reporting controls at public companies.

The CAQ will also conduct research, offer recommendations for enhancing investor confidence and the vitality of the capital markets, issue technical support for public-company auditing professionals, and facilitate the public discussion about modernizing business reporting.

For more [information](#), see the CAQ's Web site.

SEC Developments

Roundtable on IFRS "Roadmap"

On March 6, 2007, the SEC will hold a roundtable conference to discuss the "roadmap" for IFRSs. Roundtable attendees will include senior SEC staff members from the Office of the Chief Accountant, the Division of Corporation Finance, and the Office of International Affairs. Currently, non-U.S. companies filing reports with the SEC under IFRSs are required to reconcile their financial statements to U.S. GAAP. Key objectives of this roadmap are to eliminate this reconciliation requirement and allow use of either U.S. GAAP or IFRSs for financial statement submissions to the SEC.

The roundtable will be moderated by Conrad Hewitt, SEC chief accountant, and John White, director of corporation finance, and will consist of three panels focusing on the following issues:

- The effect on the capital-raising process in the U.S. capital markets.
- The effect on issuers in the U.S. capital markets.
- The effect on investors in the U.S. capital markets.

A [press release](#) discussing the roundtable is available on the SEC's Web site.

SEC Names Deputy Chief Accountant

The SEC has appointed James L. Kroeker the deputy chief accountant for accounting in the Office of the Chief Accountant. As deputy chief accountant, Mr. Kroeker will be responsible for resolution of accounting issues, rule-making projects, and oversight of standard-setting efforts in private-sector accounting, and will report directly to SEC Chief Accountant Conrad W. Hewitt.

Before joining the SEC, Mr. Kroeker was a partner in the National Office Accounting Services Group of Deloitte & Touche LLP. In this role, he provided consultation and support on the implementation, application, communication, and development of accounting standards. Mr. Kroeker has previously served as a practice fellow at the FASB, where he participated in developing accounting standards and guidance on emerging accounting issues.

A [press release](#) announcing Mr. Kroeker's appointment is available on the SEC's Web site.

FASAB Developments

Preliminary Views on Accounting for Social Insurance

The FASAB is seeking input on two views on accounting for social insurance in a Preliminary Views⁴¹ document. Although all FASAB members support the underlying objective of the Preliminary Views document — to identify and assess methods that could improve financial reporting for social insurance programs — there are differing views on when a liability, and the related expense, for social insurance benefits should be recognized.

The primary view is that a liability arises, and an expense is incurred, when participants substantially meet eligibility requirements during their working lives in covered employment; therefore, some portion of the benefits accumulated at the balance sheet date should be recognized as a liability. The alternative view is that a liability arises, and an expense is incurred, when the participants have met all the eligibility requirements and the benefit amount is “due and payable.” This alternative view would also add a new principal financial statement, the “statement of changes in social insurance,” which details the reasons for changes in the present value amounts for the period presented in the statement of social insurance.

Comments are due by April 16, 2007. The FASAB plans to hold a public hearing on the Preliminary Views document at its May 23, 2007, meeting. The text of the [Preliminary Views document](#) and a [press release](#) announcing it are available on the FASAB's Web site.

Exposure Draft on NASA's Space Exploration Equipment

The Accounting and Auditing Policy Committee of the FASAB has issued an Exposure Draft of a new Federal Financial Accounting Technical Release⁴² to provide the National Aeronautics and Space Administration (NASA) with guidance on accounting for its space exploration equipment. At issue is whether the acquisition or development costs of space exploration equipment should be treated as research and development costs.

The Technical Release would prescribe that NASA apply the guidance in FASB Statement 2⁴³ in determining whether space exploration equipment should be expensed as a period cost. The Technical Release further provides that the definitions of property, plant, and equipment (PP&E) in FASAB Statement 6⁴⁴ and other accounting standards may be used to determine the classification and treatment of space exploration equipment that is not limited to general PP&E. The guidance explains that FASAB standards generally do not preclude the expensing of space exploration equipment in appropriate transactions and events.

Comments were due by March 2, 2007.

The text of the [Exposure Draft](#) is available on the FASAB's Web site.

FASAB Establishes Fiscal Sustainability Task Force

The stewardship objective, one of the FASAB's federal financial reporting objectives, is designed to help readers of financial statements determine whether budgetary resources will be sufficient to meet future obligations and sustain public services. As part of the stewardship objective, the FASAB has established a Fiscal Sustainability Task Force to develop recommendations for reporting on the fiscal sustainability of the federal government's policies. The FASAB chairman expects that the Task Force's findings will include information about the national economy, the size of the federal budget, and current fiscal trends.

The Task Force consists of 10 members from the public sector and private research organizations. Scheduled to meet in early April, the Task Force is expected to provide recommendations to the FASAB before the end of 2007.

A [press release](#) announcing the establishment of the Fiscal Sustainability Task Force is available on the FASAB's Web site.

⁴¹ FASAB Preliminary Views document of Statement of Federal Financial Accounting Standards, *Accounting for Social Insurance, Revised*.

⁴² Exposure Draft of Federal Financial Accounting Technical Release, *Clarification of Standards Relating to the National Aeronautics and Space Administration's Space Exploration Equipment*.

⁴³ FASB Statement No. 2, *Accounting for Research and Development Costs*.

⁴⁴ FASAB Statement No. 6, *Accounting for Property, Plant, and Equipment*.

International Developments

Exposure Draft on Financial Reporting by Small and Medium-Sized Entities

The IASB has issued an Exposure Draft⁴⁵ on an IFRS for small and medium-sized entities (SMEs). The proposed standard would give SMEs a simplified, self-contained set of accounting principles based on the same underlying principles as full IFRSs, which would reduce the volume of such guidance by more than 85 percent.

The IFRS for SMEs is intended for entities without public accountability (i.e., that do not have public debt or public equity securities or that do not hold assets in a fiduciary capacity for outsiders).

The Exposure Draft on an IFRS for SMEs focuses on the following three types of changes to the full set of IFRSs:

- **Topics Omitted:** The following topics typically are not relevant to SMEs and are omitted:

- General price-level-adjusted reporting in a hyperinflationary environment.
- Equity-settled share-based payment.
- Determining the fair value of agricultural assets.
- Extractive industries.
- Interim reporting.
- Lessor-accounting finance leases.
- Recoverable amount of goodwill.
- Earnings per share, segment reporting, and insurance contracts.

- **Simpler Options:** In circumstances in which full IFRSs offer an accounting policy choice, only the simpler option would be available under an IFRS for SMEs. SMEs would, however, be permitted to use the other option by cross-reference to the relevant IFRS. For example, SMEs would use the cost-amortization-impairment model for PP&E instead of the revaluation model.
- **Recognition and Measurement Simplifications:** Many recognition and measurement principles for certain accounts are simplified by the Exposure Draft, including financial instruments, goodwill impairment, research and development costs, cost method of accounting for associates and joint ventures, fair value for agriculture, defined benefit plans, share-based payment, and finance leases.

Comments are due by October 1, 2007. The full text of the [Exposure Draft](#), as well as a [news release](#) announcing it, is available on the IASB's Web site.

Exposure Draft Proposes Amendments to Related-Party Disclosures

The IASB has published for public comment an Exposure Draft of proposed amendments to IAS 24.⁴⁶ The Exposure Draft proposes an exemption from the disclosure requirements for entities related only because of being controlled or significantly influenced by the state when such entities clearly do not influence each other. The Exposure Draft also would amend the definition of "related party" both for clarification and to remove any inconsistencies.

Certain parties have expressed concerns, however, about obtaining the information required by IAS 24; entities often do not even realize they are related to other entities controlled or influenced by the state. The Board has proposed an indicator approach to establishing when an entity can apply the exemption within the Exposure Draft. Entities with the following indicators would not be exempt from the related-party disclosure requirements of IAS 24:

- Presence of common members of the board.
- Existence of direction or compulsion by a state.

⁴⁵ IASB Exposure Draft, *IFRS for Small and Medium-sized Entities*.

⁴⁶ IAS 24, *Related Party Disclosures*.

- Related parties transacting business at nonmarket rates.
- Related parties sharing resources.
- Related parties undertaking economically significant transactions.

Comments are due by May 25, 2007. The text of the [Exposure Draft](#) and a [press release](#) announcing it are available on the IASB's Web site.

Extension of Comment Period on Fair Value Measurements

As part of the continuing convergence project of IFRSs and U.S. GAAP, the IASB issued a discussion paper, "Fair Value Measurements," on November 30, 2006. The discussion paper contained the IASB's preliminary views on consistency in fair value measurements.

The original deadline for comments was April 2, 2007; however, given the significance of the issues discussed, the IASB has extended this deadline to May 4, 2007, in response to requests from constituents.

The full text of the [discussion paper](#), as well as a [press release](#) announcing the extension of the comment period, is available on the IASB's Web site.

Appendix A: Recent Meetings

Recent FASB Meetings

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

January 30–31, 2007

The Board discussed the following topics:

- [Financial Statement Presentation](#).
- [Postretirement Benefit Obligations, Including Pensions](#).
- [Agenda Decision: Allowance for Losses](#).
- [Agenda Decision: Implementation of AICPA SOP 05-1](#).
- [Convergence — Income Taxes](#).
- [Business Combinations: Applying the Acquisition Method](#).
- [Statement 133 Implementation Issue — Clarification of the Application of the Shortcut Method](#).

February 7, 2007

The Board discussed the following topics:

- [Application of Interpretation 46\(R\) to Investment Companies](#).
- [Implementation Guidance for Interpretation 48](#).

February 13, 2007

The Board discussed the following topic:

- [Business Combinations: Applying the Acquisition Method](#).

February 21, 2007

The Board discussed the following topic:

- [Agenda Decision: Emission Allowances](#).

February 28, 2007

The Board discussed the following topics:

- [Conceptual Framework](#).
- [Business Combinations: Applying the Acquisition Method](#).

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 ASB Meetings

There was no ASB meeting in February 2007. The next ASB meeting is scheduled for May 15–17, 2007.

Recent AcSEC Meetings

There was no AcSEC meeting in February 2007. The next AcSEC meeting is scheduled for March 20–21, 2007.

Recent FASAB Meetings

There was no FASAB meeting in February 2007. The next FASAB meeting is scheduled for March 21–22, 2007.

Recent IASB Meetings

February 15, 2007

The IASB and FASB Working Group on Lease Accounting met to discuss lease accounting.

February 20–22, 2007

The IASB met in London and discussed:

- Conceptual Framework.
- Insurance Contracts.
- Liability and Equity.
- IAS 39, Financial Instruments: Recognition and Measurement — Definition of a Derivative in IAS 39.
- IAS 41, Agriculture — Measurement of Biological Assets in Accordance With IAS 41.
- Annual Improvement Process.
- Postemployment Benefits.
- Business Combinations II.
- Financial Statement Presentation.

The [full agenda](#) of the meeting and the [agenda papers](#) for various topics discussed at the meeting are available on the IASB's Web site.

Summaries of IASB meeting decisions and discussions are also available on Deloitte's [IAS Plus](#) Web site.

Recent IFRIC Meetings

There was no IFRIC meeting in February 2007. The next IFRIC meeting is scheduled for March 8–9, 2007.

Appendix B: Significant Adoption Dates and Deadlines

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

FASB	Status
Significant Adoption Dates	
Statement 159, <i>The Fair Value Option for Financial Assets and Financial Liabilities</i> — including an amendment to FASB Statement No. 115	Effective as of the beginning of the entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the entity makes that choice in the first 120 days of that fiscal year and also elects to apply the provisions of Statement 157.
Statement 158, <i>Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans</i> — an amendment of FASB Statements No. 87, 88, 106, and 132(R)	Recognition of asset and liability related to funded status of a plan and disclosures: <ul style="list-style-type: none"> For entities with publicly traded equity securities, effective for fiscal years ending after December 15, 2006. For all other entities, effective for fiscal years ending after June 15, 2007. For all entities, change in measurement date is effective for fiscal years ending after December 15, 2008.
Statement 157, <i>Fair Value Measurements</i>	Effective for fiscal years beginning after November 15, 2007, and interim periods within those years.
Statement 156, <i>Accounting for Servicing of Financial Assets</i> — an amendment of FASB Statement No. 140	Effective as of the beginning of an entity's first fiscal year that begins after September 15, 2006.
Statement 155, <i>Accounting for Certain Hybrid Financial Instruments</i> — an amendment of FASB Statements No. 133 and 140	Effective for all financial instruments acquired, issued, or subject to a remeasurement (new basis) event occurring after the beginning of an entity's first fiscal year that begins after September 15, 2006.
Interpretation 48, <i>Accounting for Uncertainty in Income Taxes</i> — an interpretation of FASB Statement No. 109	Effective for fiscal years beginning after December 15, 2006.
FSP FAS 158-1, "Conforming Amendments to the Illustrations in FASB Statements No. 87, No. 88, and No. 106 and to the Related Staff Implementation Guides"	Effective concurrently with the requirements of Statement 158.
FSP FAS 126-1, "Applicability of Certain Disclosure and Interim Reporting Requirements for Obligors for Conduit Debt Securities"	Effective for fiscal periods beginning after December 15, 2006. If an entity issues interim financial statements, the FSP shall be applied to the first interim period after the date of adoption.
FSP FAS 123(R)-6, "Technical Corrections of FASB Statement No. 123(R)"	Effective for the first reporting period beginning after October 20, 2006, or an earlier period for which financial statements have not yet been issued.
FSP FAS 123(R)-5, "Amendment of FASB Staff Position FAS 123(R)-1"	Effective for the first reporting period beginning after October 10, 2006, or an earlier period for which financial statements have not yet been issued.
FSP FAS 13-2, "Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction"	Effective for fiscal years beginning after December 15, 2006.
FSP FIN 46(R)-6, "Determining the Variability to Be Considered in Applying FASB Interpretation No. 46(R)"	Effective the first day of the first reporting period beginning after June 15, 2006.

FSP AAG INV-1 and SOP 94-4-1, "Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans"	The financial statement presentation and disclosure guidance is effective for annual periods ending after December 15, 2006. The revised definition of "fully benefit-responsive" is effective for all investment contracts as of the last day of the annual period ending after December 15, 2006.
FSP EITF 00-19-2, "Accounting for Registration Payment Arrangements"	Effective immediately for registration payment arrangements and the financial instruments subject to those arrangements that are entered into or modified subsequent to December 21, 2006. Otherwise, effective for financial statements issued for fiscal years beginning after December 15, 2006, and interim periods within those fiscal years.
FSP AUG AIR-1, "Accounting for Planned Major Maintenance Activities"	Effective for first fiscal year beginning after December 15, 2006.
FSP FTB 85-4-1, "Accounting for Life Settlement Contracts by Third-Party Investors"	Effective for fiscal years beginning after June 15, 2006.
Projects in Exposure-Draft or Request-for-Comment Stage	
Proposed FSP FAS 128-a, "Computational Guidance for Computing Diluted EPS Under the Two-Class Method"	Comments due March 27, 2007.
Proposed FSP FIN 48-a, "Definition of <i>Settlement</i> in FASB Interpretation No. 48"	Comments due March 28, 2007.
Exposure Draft, <i>Valuation Guidance for Financial Reporting</i>	Comments due April 15, 2007.
EITF	Status
Significant Adoption Dates	
Issue 06-9, "Reporting a Change in (or the Elimination of) a Previously Existing Difference Between the Fiscal Year-End of a Parent Company and That of a Consolidated Entity or Between the Reporting Period of an Investor and That of an Equity Method Investee"	Effective for changes occurring in interim or annual reporting periods beginning after November 29, 2006.
Issue 06-8, "Applicability of the Assessment of a Buyer's Continuing Investment Under FASB Statement No. 66, <i>Sales of Real Estate</i> , for Sales of Condominiums"	Effective for first annual reporting period beginning after March 15, 2007.
Issue 06-7, "Issuer's Accounting for a Previously Bifurcated Conversion Option in a Convertible Debt Instrument When the Conversion Option No Longer Meets the Bifurcation Criteria in FASB Statement No. 133, <i>Accounting for Derivative Instruments and Hedging Activities</i> "	Effective for interim and annual periods beginning after December 15, 2006.
Issue 06-6, "Debtor's Accounting for a Modification (or Exchange) of Convertible Debt Instruments"	Applies to modifications (or exchanges) occurring in interim or annual reporting periods beginning after November 29, 2006.
Issue 06-5, "Accounting for Purchases of Life Insurance — Determining the Amount That Could Be Realized in Accordance With FASB Technical Bulletin No. 85-4"	Effective for fiscal years beginning after December 15, 2006.
Issue 06-4, "Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements"	Effective for fiscal years beginning after December 15, 2006.
Issue 06-3, "How Taxes Collected From Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross Versus Net Presentation)"	Effective for financial statements for interim and annual periods beginning after December 15, 2006.
Issue 06-2, "Accounting for Sabbatical Leave and Other Similar Benefits Pursuant to FASB Statement No. 43"	Effective for fiscal years beginning after December 15, 2006.

Issue 06-1, "Accounting for Consideration Given by a Service Provider to a Manufacturer or Reseller of Equipment Necessary for an End-Customer to Receive Service From the Service Provider"	Effective for fiscal years beginning after June 15, 2007.
Issue 05-1, "Accounting for the Conversion of an Instrument That Became Convertible Upon the Issuer's Exercise of a Call Option"	Effective for all conversions within the scope of the Issue that result from the exercise of call options in interim or annual reporting periods beginning after June 28, 2006.
Issue 04-13, "Accounting for Purchases and Sales of Inventory With the Same Counterparty"	Effective for new inventory arrangements entered into, or modifications or renewals of existing inventory arrangements occurring, in interim or annual reporting periods beginning after March 15, 2006.
AICPA/AcSEC	Status
Significant Adoption Dates	
SOP 06-1, <i>Reporting Pursuant to the Global Investment Performance Standards</i>	Effective April 6, 2006.
SOP 05-1, <i>Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications or Exchanges of Insurance Contracts</i>	Effective for internal replacements occurring in fiscal years beginning after December 15, 2006. Initial application of this SOP should be as of the beginning of an entity's fiscal year.
SAS 114, <i>The Auditor's Communication With Those Charged With Governance</i>	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS 113, <i>Omnibus — 2006</i>	The amendments in paragraphs 1–5 of this SAS are effective for audits of financial statements for periods beginning on or after December 15, 2006. The amendments in paragraphs 7–14 of this SAS are effective for audits of financial statements for periods ending on or after December 15, 2006.
SAS 112, <i>Communicating Internal Control Matters Identified in an Audit</i>	Effective for audits of financial statements for periods ending on or after December 15, 2006.
SAS 111, <i>Amendment to Statement on Auditing Standards No. 39, Audit Sampling</i>	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS 110, <i>Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained</i>	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS 109, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS 108, <i>Planning and Supervision</i>	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS 107, <i>Audit Risk and Materiality in Conducting an Audit</i>	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS 106, <i>Audit Evidence</i>	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS 105, <i>Amendment to Statement on Auditing Standards No. 95, Generally Accepted Auditing Standards</i>	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS 104, <i>Amendment to Statement on Auditing Standards No. 1, Codification of Auditing Standards and Procedures ("Due Professional Care in the Performance of Work")</i>	Effective for audits of financial statements for periods beginning on or after December 15, 2006.
SAS 103, <i>Audit Documentation</i>	Effective for periods ending on or after December 15, 2006.
SSAE 14, <i>SSAE Hierarchy</i>	Effective when the subject matter or assertion is as of or for a period ending on or after December 15, 2006.
Conforming changes to AICPA Professional Standards, AT Section 501, Reporting on an Entity's "Internal Control Over Financial Reporting," resulting from SAS 112	Effective when the subject matter or the assertion is as of or for the period ending on or after December 15, 2006.

AICPA <i>Professional Standards</i> , ET Section 100.01, "Conceptual Framework for AICPA Independence Standards"	Effective April 30, 2007.
Revision to AICPA <i>Professional Standards</i> , ET Section 501.02	Effective April 30, 2006.
Center for Public Company Audit Firms Alert (CPACF) #98, <i>Update to SEC Staff Position Regarding Changes to the Statement of Cash Flows Relating to Discontinued Operations (Addendum to CPACF Alert #90)</i>	Effective April 19, 2006.
Center for Public Company Audit Firms Paper, <i>Guidance for Firms Issuing Audit Reports for Non-Issuers That Are Filed With the SEC</i>	Effective March 10, 2006.
Project in Exposure-Draft Stage	
Exposure Draft, AICPA Statement on Standards for Accounting and Review Services, <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>	Comments due May 18, 2007.
SEC	Status
Significant Adoption Dates	
Final Rule, <i>Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Non-Accelerated Filers and Newly Public Companies</i>	For nonaccelerated filers, auditor's attestation report on internal control over financial reporting must be included with annual reports for fiscal years ending on or after December 15, 2008. Management's report is required for fiscal years ending on or after December 15, 2007. For a newly public company, the requirement to provide either a management assessment of internal control over financial reporting or an auditor attestation report will be effective when it files its second annual report with the SEC.
Final Rule, <i>Internal Control Over Financial Reporting in Exchange Act Periodic Reports of Foreign Private Issuers That Are Accelerated Filers</i>	For foreign private issuers that are accelerated filers (but not large accelerated filers), auditor's attestation report on internal control over financial reporting must be included with annual reports for fiscal years ending on or after July 15, 2007. Management's report is required for fiscal years ending on or after July 15, 2006.
Interim Final Rule, <i>Executive Compensation Disclosure</i>	Effective December 29, 2006. Comments received by January 21, 2007, will be considered in decisions to make revisions.
Final Rule, <i>Executive Compensation and Related Person Disclosure</i>	In Form 8-K, effective for triggering events that occur on or after November 7, 2006; in Forms 10-K and 10KSB, for fiscal years ending on or after December 15, 2006; and in registration and proxy/information statements filed after December 15, 2006.
Final Rule, <i>Fund of Funds Investments</i>	Effective July 31, 2006.
Amendments to Forms N-1A, N-2, N-3, N-4, and N-6	All new registration statements filed on the investment company forms and all post-effective amendments that are annual updates to effective registration statements on the investment company forms filed on or after January 2, 2007, must include the disclosure required by the form amendments.
Final Rule, <i>First-Time Application of International Financial Reporting Standards</i> (amendments to Form 20-F)	Rule will apply to foreign private issuers that adopt IFRS prior to or for the first financial year starting on or after January 1, 2007.
Final Rule, <i>Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports</i> (an extension of compliance date)	Effective for fiscal years ending on or after November 15, 2004, for certain "accelerated filers." Effective for fiscal years ending on or after July 15, 2007, for "nonaccelerated filers," including foreign private issuers that are not accelerated filers. Effective for fiscal years ending on or after July 15, 2006, for foreign private issuers that are accelerated filers and file annual reports on Form 20-F or Form 40-F.

SAB 108 (on the process of quantifying financial statement misstatements)	Effective for annual financial statements covering the first fiscal year ending after November 15, 2006.
Request for Additional Comments on <i>Interpretive Release, Commission Guidance Regarding Client Commission Practices Under Section 28(e) of the Securities Exchange Act of 1934</i>	Interpretive Release is effective July 24, 2006; market participants, however, will be able to rely on prior SEC guidance for six months after publication.
Final Rule, <i>Internet Availability of Proxy Materials</i>	Effective March 30, 2007. The rule is open to public comments until March 30, 2007, through a separate release. The issuers may not issue a notice of availability of proxy materials over the Internet until July 30, 2007.
Projects in Request-for-Comment Stage	
Proposed Rule, <i>Prohibition of Fraud by Advisers to Certain Pooled Investment Vehicles; Accredited Investors in Certain Private Investment Vehicles</i>	Comments due March 9, 2007.
Proposed Rule, <i>Exemptions for Banks Under Section 3(a)(5) of the Securities Exchange Act of 1934 and Related Rules</i>	Comments due March 26, 2007.
Proposed Rule, <i>Definitions of Terms and Exemptions Relating to the "Broker" Exceptions for Banks</i>	Comments due March 26, 2007.
Proposed Rule, <i>Universal Internet Availability of Proxy Materials</i>	Comments due March 30, 2007.
PCAOB	Status
Significant Adoption Dates	
Auditing Standard No. 2, <i>An Audit of Internal Control Over Financial Reporting Performed in Conjunction With an Audit of Financial Statements</i>	Effective for fiscal years ending on or after November 15, 2004, for certain "accelerated filers." Effective for fiscal years ending on or after July 15, 2007, for "nonaccelerated filers," including foreign private issuers that are not accelerated filers. Effective for fiscal years ending on or after July 15, 2006, for foreign private issuers that are accelerated filers and file annual reports on Form 20-F or Form 40-F.
Rule 3524, <i>Audit Committee Pre-approval of Certain Tax Services</i>	Rule will not apply to any tax service preapproved on an engagement-by-engagement basis before June 18, 2006. With respect to tax services provided to audit clients whose audit committees preapprove tax services pursuant to policies and procedures, the rule will not apply to any such tax service that is begun by April 20, 2007.
Rule 3523, <i>Tax Services for Persons in Financial Reporting Oversight Roles</i>	Rule will not apply to tax services being provided during the professional engagement period pursuant to an engagement in process at April 19, 2006, provided that such services are completed on or before October 31, 2006. Rule will not apply to tax services being provided on or before April 30, 2007, provided that those services were performed during the audit period and completed prior to the beginning of the professional engagement period.
Rule 3522, <i>Tax Transactions</i>	Rule will not apply to tax services that are completed by a registered public accounting firm prior to June 18, 2006.
Rule 3521, <i>Contingent Fees</i>	Rule will not apply to contingent fee arrangements that prior to June 18, 2006, were (1) paid in their entirety, (2) converted to fixed fee arrangements, or (3) otherwise unwound.
Rule 3501, <i>Definitions of Terms Employed in Section 3, Part 5 of the Rules</i> ; Rule 3502, <i>Responsibility Not to Knowingly or Recklessly Contribute to Violations</i> ; Rule 3520, <i>Auditor Independence</i>	Effective April 29, 2006.
Release No. 2006-008, <i>Amendments to Board Rules Relating to Inspections</i>	Effective December 8, 2006.

GASB/GAO	Status
Significant Adoption Dates	
Statement No. 49, <i>Accounting and Financial Reporting for Pollution Remediation Obligations</i>	Effective for financial statements for periods beginning after December 15, 2007.
Statement No. 48, <i>Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues</i>	Effective for financial statements for periods beginning after December 15, 2006.
Statement No. 45, <i>Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions</i>	Effective for: <ul style="list-style-type: none"> • Phase I governments in periods beginning after December 15, 2006. • Phase 2 governments in periods beginning after December 15, 2007. • Phase 3 governments in periods beginning after December 15, 2008.
Statement No. 43, <i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>	Effective one year prior to 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.
Technical Bulletin No. 2006-1, <i>Accounting and Financial Reporting by Employers and OPEB Plans for Payments From the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D</i>	Effective for financial statements issued after June 30, 2006, except for portions of answers pertaining specifically to measurement, recognition, or required supplementary information requirements of Statements 43 and 45. Those provisions would be applied upon the adoption of Statements 43 and 45.
Technical Bulletin No. 2004-2, <i>Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers</i>	For pension transactions, effective for financial statements for periods ending after December 15, 2004, with earlier application encouraged. For other postemployment benefit transactions, the provisions should be applied simultaneously with the requirements of GASB Statement 45.
Project in Exposure-Draft or Invitation-to-Comment Stage	
Exposure Draft, <i>Accounting and Financial Reporting for Intangible Assets</i>	Comments due March 23, 2007.
FASAB	Status
Significant Adoption Dates	
Technical Bulletin 2006-1, <i>Recognition and Measurement of Asbestos-Related Cleanup Costs</i>	Effective for periods beginning after September 30, 2009.
Statement 31, <i>Accounting for Fiduciary Activities</i>	Effective for periods beginning after September 30, 2008.
Statement 30, <i>Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts</i>	Effective for periods beginning after September 30, 2006.
Statement 29, <i>Heritage Assets and Stewardship Land</i>	Effective for periods beginning after September 30, 2006.
Statement 26, <i>Presentation of Significant Assumptions for the Statement of Social Insurance: Amending SFFAS 25</i>	Effective for periods beginning after September 30, 2006.
Projects in Request-for-Comment Stage	
Exposure Draft of Federal Financial Technical Release, <i>Clarification of Standards Relating to the National Aeronautics and Space Administration's Space Exploration Equipment</i>	Comments due March 2, 2007.
Exposure Draft of a proposed Statement, <i>Accounting for Social Insurance</i>	Comments due April 16, 2007.

IASB/IFRIC	Status
Significant Adoption Dates	
IFRS 8, <i>Operating Segments</i>	Effective for annual periods beginning on or after January 1, 2009.
IFRS 7, <i>Financial Instruments: Disclosures</i>	Effective for annual periods beginning on or after January 1, 2007.
Amendment to IAS 1, <i>Presentation of Financial Statements — Capital Disclosures</i>	Effective for annual periods beginning on or after January 1, 2007.
IFRIC Interpretation 12, <i>Service Concession Arrangements</i>	Effective for annual periods beginning on or after March 1, 2007.
IFRIC Interpretation 11, <i>Group and Treasury Share Transactions</i>	Effective for annual periods beginning on or after March 1, 2007.
IFRIC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	Effective for annual periods beginning on or after November 1, 2006.
IFRIC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	Effective for annual periods beginning on or after June 1, 2006.
IFRIC Interpretation 8, <i>Scope of IFRS 2</i>	Effective for annual periods beginning on or after May 1, 2006.
IFRIC Interpretation 7, <i>Applying the Restatement Approach Under IAS 29, Financial Reporting in Hyperinflationary Economies</i>	Effective for annual periods beginning on or after March 1, 2006.
Projects in Request-for-Comment Stage	
IASB discussion paper, <i>Fair Value Measurements</i>	Comments due April 2, 2007.
IASB Exposure Draft, proposed amendments to IFRS 1, <i>First-time Adoption of International Financial Reporting Standards — Cost of an Investment in a Subsidiary</i>	Comments due April 27, 2007.
IASB Exposure Draft, proposed amendments to IAS 24, <i>Related Party Disclosures</i>	Comments due May 25, 2007.
IASB Exposure Draft, proposed <i>IFRS for Small and Medium-sized Entities</i>	Comments due October 1, 2007.

Appendix C: Abbreviations

AcSEC	Accounting Standards Executive Committee	IFRIC	International Financial Reporting Interpretations Committee
AICPA	American Institute of Certified Public Accountants	IFRS	International Financial Reporting Standard
APB	Accounting Principles Board	ITAC	Investors Technical Advisory Committee
ARB	Accounting Research Bulletin	ITC	Invitation to Comment
ASB	Auditing Standards Board	MD&A	Management's Discussion & Analysis
COSO	Committee of Sponsoring Organizations of the Treadway Commission	NAIC	National Association of Insurance Commissioners
DIG	Derivatives Implementation Group	NCGA	National Council on Governmental Accounting
DTC	Draft Technical Correction	PCAOB	Public Company Accounting Oversight Board
EITF	Emerging Issues Task Force	SAB	Staff Accounting Bulletin
FAS	Financial Accounting Standard	SAS	Statement on Auditing Standards
FASAB	Federal Accounting Standards Advisory Board	SEC	Securities and Exchange Commission
FASB	Financial Accounting Standards Board	SFFAC	Statement of Federal Financial Accounting Concepts
FIN	FASB Interpretation	SFFAS	Statement of Federal Financial Accounting Standards
FSP	FASB Staff Position	SOP	Statement of Position
GAAP	Generally Accepted Accounting Principles	SSAE	Statement on Standards for Attestation Engagements
GASB	Governmental Accounting Standards Board	SSARS	Statement on Standards for Accounting and Review Services
IAS	International Accounting Standard	TPA	Technical Practice Aid
IASB	International Accounting Standards Board		
IFAC	International Federation of Accountants		

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

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

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

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