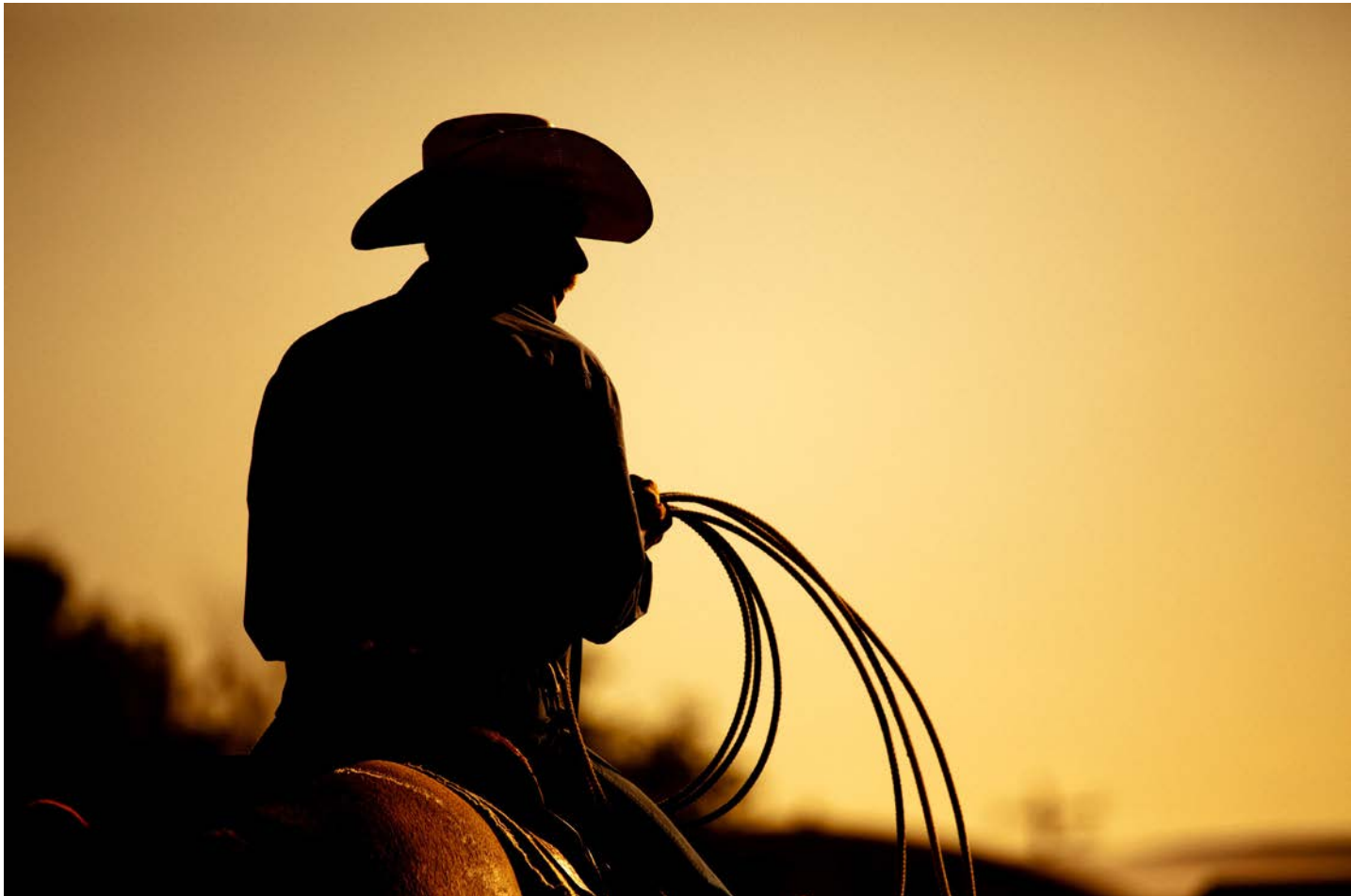




Accounting Roundup

Second Quarter in Review — 2014





To our clients, colleagues, and other friends:

Welcome to the quarterly edition of *Accounting Roundup*. During the second quarter of 2014, the FASB and IASB issued their ASU on revenue recognition, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. In addition, the FASB launched its new simplification initiative to reduce the complexity of U.S. GAAP and issued ASUs on discontinued operations, repurchase accounting, and development-stage entities. In addition, the EITF met in June and reached final consensuses on two Issues.

Note that in this quarterly edition, an asterisk in the article title denotes events that occurred in June or that were not addressed in the [April](#) or [May](#) issue of *Accounting Roundup*, including updates to previously reported topics. Article titles without asterisks denote events that were covered in those monthly issues.

As usual, click any title in the table of contents to go directly to the article. For additional information about a topic, click the hyperlinks, which are blue. You can find further details on the Web sites of the various accounting standard setters and regulators, including the [FASB](#), [GASB](#), [SEC](#), [PCAOB](#), [AICPA](#), and [IASB](#).

Be sure to monitor upcoming issues of *Accounting Roundup* for new developments. We value your feedback and would appreciate any comments you may have on *Accounting Roundup: Second Quarter in Review — 2014*. Take a moment to tell us what you think by sending us an e-mail at accountingstandards@deloitte.com.

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- Wednesday, July 23: [From Board Room to War Room — Lessons Learned From Recent Cyber Attacks](#).
- Thursday, July 31: [Wizards and Trolls: Accelerating Technologies, Patent Reform, and the New Era of IP](#).
- Wednesday, August 20, 3:00 p.m.: [Supply Chain Leadership: Distinctive Approaches to Innovation, Collaboration, and Talent](#).
- Wednesday, August 27: [2014 Mid-Year Outlook: Driving Growth in the Age of Global Uncertainty](#).
- Thursday, August 28: [Multinational Third-Party Relationships: Balancing Costs, Risks, and Benefits](#).
- Wednesday, September 17: [Shareholder Activism: Managing Independent-Minded Investors](#).
- Tuesday, September 23: [EITF Roundup: Highlights From the September Meeting](#).
- Thursday, September 25: [It Starts at the Top](#).
- Monday, September 29: [Finding Evidence in an Online World: Trends and Challenges in Computer Forensics](#).
- Tuesday, September 30: [Quarterly Accounting Roundup: An Update on Important Developments](#).

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Deloitte Publications

Publication	Title	Affects
June 2014 <i>Health Care Providers Spotlight</i>	<i>Navigating the New Revenue Standard</i>	Health care providers.
June 2014 <i>Power & Utilities Spotlight</i>	<i>EPA Considers CSAPR and Introduces Clean Power Plan</i>	Power and utilities entities.
June 23, 2014, <i>Heads Up</i>	<i>PCAOB Adopts New Requirements for Auditing Related Parties, Significant Unusual Transactions, and Other Matters</i>	Auditors of public entities.
June 19, 2014, <i>Heads Up</i>	<i>FASB Makes Limited Amendments to Its Repurchase Accounting Guidance</i>	All entities.
June 2014 <i>EITF Snapshot</i>		All entities.
June 2014 <i>Banking & Securities Spotlight</i>	<i>Complying With the OCC's Supplemental Examination Procedures for Evaluating Derivative Risk Management Practices</i>	Banking entities.
June 2014 <i>Life Sciences Spotlight</i>	<i>Navigating the New Revenue Standard</i>	Life sciences entities.
June 2014 <i>Investment Management Spotlight</i>	<i>Navigating the New Revenue Standard</i>	Investment management entities.
May 28, 2014, <i>Heads Up</i>	<i>Boards Issue Guidance on Revenue From Contracts With Customers</i>	All entities.
April 30, 2014, <i>Heads Up</i>	<i>PCAOB Gathers More Input on Proposed Changes to the Auditor's Report</i>	Auditors of public entities.
April 28, 2014, <i>Heads Up</i>	<i>MD&A Disclosures About "Cheap Stock" in IPO Transactions</i>	SEC registrants.
April 22, 2014, <i>Heads Up</i>	<i>FASB Issues ASU to Amend Discontinued-Operations Reporting</i>	All entities.
April 15, 2014, <i>Heads Up</i>	<i>Two Years After the JOBS Act</i>	SEC registrants.
April 8, 2014, <i>Heads Up</i>	<i>Highlights of the SEC's Cybersecurity Roundtable</i>	SEC registrants.
April 8, 2014, <i>Financial Reporting Alert</i>	<i>Foreign Currency Exchange Accounting Implications of Recent Government Actions in Venezuela</i>	All entities.
April 2014 <i>Power & Utilities Spotlight</i>	<i>ERM Roundtable Addresses Prevailing Practices for Identifying and Managing Risk</i>	Power and utilities entities.

Fast Take

The table below serves as a quick reference to some of the most significant recently issued final and proposed accounting standards as well as ongoing projects. It does not include PCC-specific standards or projects.

Recently Issued Standards			
Standard	Affects	Effective Date	More Information
ASU 2014-12, <i>Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period</i> — a consensus of the FASB Emerging Issues Task Force	Entities that issue share-based payments when the terms of an award stipulate that a performance target could be achieved after an employee completes the requisite service period.	For all entities, reporting periods beginning after December 15, 2015. Early adoption is permitted.	Deloitte's March 2014 <i>EITF Snapshot</i> .

Standard	Affects	Effective Date	More Information
ASU 2014-11, <i>Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures</i>	Entities that enter into repurchase agreements, securities lending transactions, and repo-to-maturity transactions.	For public business entities, the accounting changes are effective for the first interim or annual period beginning after December 15, 2014. For all other entities, the accounting guidance is effective for annual periods beginning after December 15, 2014, and interim periods beginning after December 15, 2015. Early adoption is not permitted for public business entities; however, all other entities may elect to early adopt the accounting guidance for interim periods beginning after December 15, 2014.	Deloitte's June 19, 2014, Heads Up .
ASU 2014-09, <i>Revenue From Contracts With Customers</i>	All entities.	For public business entities, reporting periods beginning after December 15, 2016. For all other entities, annual periods beginning after December 15, 2017, and interim periods within annual reporting periods beginning after December 15, 2018.	Deloitte's May 28, 2014, Heads Up .
ASU 2014-08, <i>Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity</i>	All entities.	For public business entities, reporting periods beginning after December 15, 2014. For all other entities, annual periods beginning after December 15, 2014, and interim periods within annual reporting periods beginning after December 15, 2015.	Deloitte's April 22, 2014, Heads Up .

Recently Issued Exposure Documents

Exposure Document	Affects	Comment Letter Deadline	More Information
Proposed ASU, <i>Pushdown Accounting</i> — a consensus of the FASB Emerging Issues Task Force	Entities that are acquired as part of a change-in-control event.	July 31, 2014.	Deloitte's March 2014 EITF Snapshot .
Proposed Concepts Statement, <i>Conceptual Framework for Financial Reporting — Chapter 8: Notes to Financial Statements</i>	All entities.	July 14, 2014.	Deloitte's March 6, 2014, Heads Up .

Other Key Developments

Project	Recent Developments	Next Steps	More Information
Consolidation: Principal-Versus-Agent Analysis	During the second quarter, the FASB discussed the money market fund scope exception, situations in which fee arrangements represent variable interests, and the application of the related-party tiebreaker test.	The FASB is expected to conclude redeliberations in the second half of 2014.	Deloitte's April 16, 2014, journal entry and May 8, 2014, journal entry .
Simplification Initiative	During the second quarter, the FASB launched its simplification initiative, which is intended to reduce the complexity of existing GAAP.	The FASB expects to issue two proposed ASUs in the second half of 2014 in connection with this initiative. One would cover the subsequent measurement of inventory, while the other would address the presentation of extraordinary items.	Press release on the FASB's Web site.
Leases	On March 18–19, 2014, the FASB and IASB held joint meetings to further discuss the direction of the leases project.	The FASB is currently deliberating feedback received on its 2013 ED. No estimated completion date is available for the project.	Deloitte's March 27, 2014, Heads Up ; April 25, 2014, journal entry ; May 23, 2014, journal entry ; and June 20, 2014, journal entry .

Leadership Changes

EITF: On May 14, 2014, the FASB appointed [Bret Dooley](#) to the EITF for a five-year, renewable term that began on June 1, 2014.

FAF: On June 24, 2014, the FAF announced the appointment of [Gary H. Bruebaker](#) to its board of trustees to replace retiring trustee John J. Brennan. Mr. Bruebaker's term will begin on July 1, 2014, and end on December 31, 2018.

GASAC: On May 29, 2014, the FAF board of trustees appointed [Neria Douglass and Richard Larkin](#) to the GASAC. Their terms are effective immediately and will expire on December 31, 2015.

IFRS Advisory Council: On April 11, 2014, the IFRS Foundation trustees announced that [Steve Lim](#) has been appointed to the IFRS Advisory Council. Dr. Lim's appointment began on April 1, 2014. In addition, on June 2, 2014, the IFRS Foundation trustees announced that [Linda Diaz](#) has been named an IFRS Advisory Council member. Her term began on June 1, 2014.

IFRS Foundation: On June 19, 2014, the IFRS Foundation announced that [Jin Liqun](#) has been appointed as one of its trustees. His term begins on July 1, 2014; ends on December 31, 2016; and is renewable for an additional three years.

IFRS Interpretations Committee: On May 12, 2014, the IFRS Foundation trustees appointed [four new members](#) to the IFRS Interpretations Committee: Carl Douglas (Brazil), Mikael Hagström (Sweden), Bruce Mackenzie (South Africa), and Bonnie Van Etten (United States). The three-year terms of the new appointees will begin on July 1, 2014, and are renewable once.

SASB: On May 1, 2014, the SASB appointed Michael Bloomberg, the former mayor of New York City, as chairman and Mary Schapiro, the former SEC chairman, as vice-chairman. The [appointments](#) are effective immediately.

SEC: On May 15, 2014, the SEC announced that [Paul Beswick](#) is stepping down from his role as chief accountant and returning to the private sector. The Commission has not yet named Mr. Beswick's successor.



Edited by Magnus Orrell, Sean Prince, and Joseph Renouf, Deloitte & Touche LLP

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Accounting — New Standards and Exposure Drafts

Development-Stage Entities

FASB Issues ASU Eliminating the Concept of a Development-Stage Entity From U.S. GAAP*

Affects: All entities.

Summary: On June 10, 2014, the FASB issued [ASU 2014-10](#), which eliminates the concept of a development-stage entity (DSE) from U.S. GAAP and removes:

- ASC 915 in its entirety, which contained presentation and disclosure requirements for DSEs (e.g., inception-to-date information).
- The guidance in ASC 810 on evaluating whether a DSE has sufficient equity at risk (one of the criteria used in determining whether an entity is a variable interest entity).

The ASU also clarifies that the disclosure requirements in ASC 275 (i.e., disclosures about risks and uncertainties) apply to entities that have “not commenced planned principal operations.”

As the FASB explains in the ASU, users of DSE financial statements do not find “the [DSE] distinction, the inception-to-date information, and certain other disclosures currently required [by DSEs to be] decision useful.”

Next Steps: Except for the amendments to ASC 810, the ASU is effective for public business entities for reporting periods (including interim periods) beginning after December 15, 2014. For other entities, the amendments are effective for annual periods beginning after December 15, 2014, and interim periods beginning after December 15, 2015. The amendments to ASC 810 are effective one year later for public business entities and two years later for other entities. Early adoption of the amendments is permitted for “any annual reporting period or interim period for which the entity’s financial statements have not yet been issued.”

Other Resources: For more information, see the [press release](#) on the FASB’s Web site. ●

Discontinued Operations

FASB Issues ASU to Amend Discontinued-Operations Reporting

Affects: All entities.

Summary: On April 10, 2014, the FASB issued [ASU 2014-08](#), which amends the definition of a discontinued operation in ASC 205-20 and requires entities to provide additional disclosures about discontinued operations as well as disposal transactions that do not meet the discontinued-operations criteria.

The FASB issued the ASU to provide more decision-useful information and to make it more difficult for a disposal transaction to qualify as a discontinued operation (since the FASB believes that too many disposal transactions were qualifying as discontinued operations under the old definition). Under the previous guidance in ASC 205-20-45-1, the results of operations of a component of an entity were classified as a discontinued operation if all of the following conditions were met:

- The component “has been disposed of or is classified as held for sale.”
- “The operations and cash flows of the component have been (or will be) eliminated from the ongoing operations of the entity as a result of the disposal transaction.”
- “The entity will not have any significant continuing involvement in the operations of the component after the disposal transaction.”

The new guidance eliminates the second and third criteria above and instead requires discontinued-operations treatment for disposals of a component or group of components that represents a strategic shift that has or will have a major impact on an entity’s operations or financial results. The ASU also expands the scope of ASC 205-20 to disposals of equity method investments and businesses that, upon initial acquisition, qualify as held for sale.

In addition, the ASU requires entities to reclassify assets and liabilities of a discontinued operation for all comparative periods presented in the statement of financial position. Before these amendments, ASC 205-20 neither required nor prohibited such presentation.

Regarding the statement of cash flows, an entity must disclose, in all periods presented, either (1) operating and investing cash flows or (2) depreciation and amortization, capital expenditures, and significant operating and investing noncash items related to the discontinued operation. This presentation requirement represents a significant change from previous guidance.

The new guidance is likely to have the greatest impact on entities that enter into routine disposal transactions, such as those in the real estate or retail industries.

Next Steps: The ASU is effective prospectively for all disposals (except disposals classified as held for sale before the adoption date) or components initially classified as held for sale in periods beginning on or after December 15, 2014. Early adoption is permitted.

Other Resources: Deloitte's April 22, 2014, [Heads Up](#). Also see the [press release](#) on the FASB's Web site. ●

Pushdown Accounting

FASB Issues Proposed ASU on Pushdown Accounting

Affects: All entities.

Summary: On April 28, 2014, the FASB issued a [proposed ASU](#) on pushdown accounting in response to the EITF's consensus on Issue 12-F. Under the proposal, acquired entities would have the option of applying pushdown accounting (i.e., establishing a new accounting and reporting basis) in their stand-alone financial statements upon the occurrence of a change-in-control event. An entity that elects this option would recognize "the new basis of accounting established by the acquirer for the individual assets and liabilities of the [acquired entity] by applying Topic 805." The acquired entity would be required to recognize any goodwill that arose from the change-in-control transaction but would be prohibited from recognizing any bargain purchase gain. The option to apply pushdown accounting could be elected "for each individual change-in-control event in which an acquirer obtains control of the acquired entity." In addition, acquired entities that elect the option would be required to provide disclosures about the effect of pushdown accounting on their financial statements.

Next Steps: Comments on the proposed ASU are due by July 31, 2014. ●

Repurchase Accounting

FASB Makes Limited Amendments to Guidance on Repurchase Accounting*

Affects: All entities.

Summary: On June 12, 2014, the FASB issued [ASU 2014-11](#), which makes limited amendments to the guidance in ASC 860 on accounting for certain repurchase agreements ("repos"). The ASU (1) requires entities to account for repurchase-to-maturity transactions as secured borrowings (rather than as sales with forward repurchase agreements), (2) eliminates accounting guidance on linking repurchase financing transactions, and (3) expands disclosure requirements related to certain transfers of financial assets that are accounted for as sales and certain transfers (specifically, repos, securities lending transactions, and repurchase-to-maturity transactions) accounted for as secured borrowings.

In addition, the ASU provides examples of repurchase and securities lending arrangements that illustrate whether a transferor has maintained effective control over the transferred financial assets.

Next Steps: For effective date and transition information, see [Appendix B](#).

Other Resources: Deloitte's June 19, 2014, [Heads Up](#). Also see the [press release](#) on the FASB's Web site. ●

Revenue Recognition

FASB and IASB Issue Final Standard on Revenue From Contracts With Customers*

Affects: All entities.

Summary: On May 28, 2014, the FASB and IASB issued their final standard on revenue from contracts with customers. The standard, issued as [ASU 2014-09](#) by the FASB and as IFRS 15 by the IASB, outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance.

The core principle of the revenue model is that “an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.” In applying the revenue model to contracts within its scope, an entity:

- Identifies the contract(s) with a customer (step 1).
- Identifies the performance obligations in the contract (step 2).
- Determines the transaction price (step 3).
- Allocates the transaction price to the performance obligations in the contract (step 4).
- Recognizes revenue when (or as) the entity satisfies a performance obligation (step 5).

The ASU applies to all contracts with customers except those that are within the scope of other topics in the *FASB Accounting Standards Codification*. Certain of the ASU’s provisions also apply to transfers of nonfinancial assets, including in-substance nonfinancial assets that are not an output of an entity’s ordinary activities (e.g., sales of (1) property, plant, and equipment; (2) real estate; or (3) intangible assets). Existing accounting guidance applicable to these transfers (e.g., ASC 360-20) has been amended or superseded. Compared with current U.S. GAAP, the ASU also requires significantly expanded disclosures about revenue recognition.

On June 3, 2014, the FASB and IASB announced the formation of a transition resource group (TRG) that will focus on potential implementation issues associated with the new revenue recognition standard. The TRG members comprise auditors, preparers, and users from various industries and geographical locations as well as from both private and public companies. The TRG’s first meeting is scheduled for July 18, 2014.

Next Steps: For effective date and transition information, see [Appendix B](#).

Other Resources: Deloitte’s May 28, 2014, [Heads Up](#). Also see the [May 28](#) and [June 3](#) press releases on the FASB’s Web site. ●

Share-Based Payment

FASB Issues ASU in Response to EITF Consensus on Certain Share-Based Payment Awards*

Affects: All entities.

Summary: On June 19, 2014, the FASB issued [ASU 2014-12](#) in response to the EITF consensus on Issue 13-D. The ASU clarifies that entities should treat performance targets that can be met after the requisite service period of a share-based payment award as performance conditions that affect vesting. Therefore, an entity would not record compensation expense (measured as of the grant date without taking into account the effect of the performance target) related to an award for which transfer to the employee is contingent on the entity’s satisfaction of a performance target until it becomes probable that the performance target will be met. The ASU does not contain any new disclosure requirements.

Next Steps: The ASU is effective for all entities for reporting periods (including interim periods) beginning after December 15, 2015. Early adoption is permitted. In addition, all entities will have the option of applying the guidance either prospectively (i.e., only to awards granted or modified on or after the effective date of the Issue) or retrospectively. Retrospective application would only apply to awards with performance targets outstanding at or after the beginning of the first annual period presented (i.e., the earliest presented comparative period). ●

International

IASB Amends Guidance on Bearer Plants*

Affects: Entities reporting under IFRSs.

Summary: On June 30, 2014, the IASB issued amendments to the guidance on bearer plants in IAS 16 and IAS 41. Specifically, bearer plants would be included within the scope of IAS 16 rather than IAS 41 because the IASB has determined that they “should be accounted for in the same way as property, plant and equipment.”

Next Steps: The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

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

IASB Proposes Amendments to Consolidation Exception for Investment Entities*

Affects: Entities reporting under IFRSs.

Summary: On June 11, 2014, the IASB issued an [ED](#) that would amend certain aspects of the guidance in IFRS 10 and IAS 28 on the consolidation exception for investment entities. Specifically, the amendments would:

- Confirm that an entity can apply the consolidation exception even if its parent entity measures its subsidiaries at fair value in accordance with IFRS 10.
- Clarify that a subsidiary that provides services related to the parent’s investment activities should not be consolidated if the subsidiary itself is an investment entity.
- Streamline the application of the equity method so that a noninvestment-entity investor in an investment entity retains the fair value measurement applied by the associate to its interests in subsidiaries, unless the noninvestment-entity investor is a joint venturer and the joint venture is an investment entity.

Next Steps: Comments on the ED are due by September 15, 2014.

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

IASB Amends Guidance on Intangible Assets and Property, Plant, and Equipment

Affects: Entities reporting under IFRSs.

Summary: On May 12, 2014, the IASB issued a set of amendments to IAS 38 (intangible assets) and IAS 16 (property, plant, and equipment). The amendments clarify that:

- “[T]he use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.”
- “[R]evenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.”

Next Steps: The amendments are effective prospectively for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

Other Resources: For more information, see the [press release](#) on the IASB’s Web site and the May 2014 *IFRS in Focus* newsletter on Deloitte’s *IASPlus* Web site. ●

IASB Amends Guidance on Joint Arrangements

Affects: Entities reporting under IFRSs.

Summary: On May 6, 2014, the IASB issued amendments to the guidance on joint arrangements in IFRS 11. The amendments address how an entity should account for an “acquisition of an interest in a joint operation that constitutes a business.”

Next Steps: The amendments are effective prospectively for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

Other Resources: For more information, see the [press release](#) on the IASB’s Web site and the May 2014 *IFRS in Focus* newsletter on Deloitte’s *IASPlus* Web site. ●

IASB Issues Discussion Paper on Macro Hedging

Affects: Entities reporting under IFRSs.

Summary: On April 17, 2014, the IASB issued a [discussion paper](#) to request comment on “a possible approach to accounting for an entity’s dynamic risk management activities.” This approach, known as the portfolio revaluation approach, is part of the separate macro hedging component of the IASB’s project on financial instruments.

Next Steps: Comments on the discussion paper are due by October 17, 2014.

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

Accounting — Other Key Developments

EITF

EITF Discusses Various Issues During June Meeting*

Affects: All entities.

Summary: At its June 2014 meeting, the EITF discussed the following Issues:

- *Issue 12-G, “Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity”* — The Task Force reached a final consensus to provide entities that consolidate a CFE with an optional practicability exception to applying the fair value measurement guidance in ASC 820 when all of the financial assets and financial liabilities of the consolidated CFE are measured at fair value through net income under other U.S. GAAP (e.g., when the entity had elected the fair value option for all of the CFE’s financial assets and financial liabilities). If elected, the practicability exception would allow a reporting entity to measure both the financial assets and the financial liabilities of the CFE by using the more observable of the fair value of the financial assets and the fair value of the financial liabilities, effectively eliminating any measurement difference.

If ratified by the FASB, the guidance in this Issue will be effective for public business entities for reporting periods (including interim periods) beginning after December 15, 2015. For all other entities, the guidance will be effective for annual reporting periods beginning after December 15, 2015, and interim and annual periods thereafter. Early adoption is permitted. Entities will have the option of applying the guidance by using either a modified retrospective approach (i.e., by recording a cumulative-effect adjustment as of the beginning of the annual period of adoption) or a full retrospective approach. In addition, at transition, entities that desire to apply the measurement alternative to a consolidated CFE can elect the fair value option for all of the CFE’s financial assets and financial liabilities.

- *Issue 13-F, "Classification of Certain Government-Guaranteed Residential Mortgage Loans Upon Foreclosure"* — The Task Force reached a final consensus to expand the Issue's scope to all loans — both residential and commercial — that contain a government guarantee that is not separable from the loan and for which the creditor has both the intent and ability to recover a fixed or determinable amount under the guarantee by conveying the property to the guarantor. In addition, for loans within the scope of the Issue, the Task Force reached a final consensus that upon foreclosure the creditor should reclassify the mortgage loan as an other receivable that is separate from loans and should measure the receivable at the amount expected to be received under the government guarantee. The Task Force also confirmed that no new disclosures will be required under this Issue.

If ratified by the FASB, the guidance in this Issue will be effective for public business entities for reporting periods (including interim periods) beginning after December 15, 2014. For all other entities, the guidance will be effective for annual reporting periods beginning after December 15, 2014, and interim and annual periods thereafter. Early adoption is permitted if the reporting entity has already adopted ASU 2014-04. In addition, all entities must adopt the guidance by using the same transition method they apply when adopting ASU 2014-04 (i.e., by using either a modified retrospective approach or a prospective approach).

- *Issue 13-G, "Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity"* — The Task Force discussed whether and, if so, how to provide implementation guidance that helps reporting entities apply the Task Force's previously reached consensus-for-exposure under which entities use the whole-instrument approach when determining the nature of the host contract in a hybrid financial instrument issued in the form of a share. (The chameleon approach would no longer be permitted.) The Task Force discussed several alternatives, including (1) providing implementation guidance on how to determine the nature of the host, (2) establishing a rebuttable presumption that "a fixed-price, noncontingent redemption option held by the investor leads to a determination that the host contract is debt-like," and (3) reaffirming "the Task Force's original consensus-for-exposure without providing additional implementation guidance." Although the Task Force generally favored the first alternative, it did not reach a consensus on the nature of the implementation guidance.

The Issue's effective date and transition were not addressed at this meeting but are expected to be discussed at the EITF's September 18, 2014, meeting.

Other Resources: For more information, see the EITF's [meeting materials and minutes](#) on the FASB's Web site. Also see Deloitte's June 2014 [EITF Snapshot](#). ●

Private Companies

PCC Holds April Meeting

Affects: Private companies.

Summary: At its April 2014 meeting, the PCC:

- Continued redeliberating its project on accounting for identifiable intangible assets recognized in a business combination but did not reach any tentative decisions. The PCC directed the FASB staff to further research this topic.
- Added a project to its agenda to consider the implications of superseding certain definitions in the *FASB Accounting Standards Codification* with the new definition of a public business entity; this project could affect the scope of certain existing U.S. GAAP requirements, such as those related to segment reporting.
- Directed the FASB staff to conduct preagenda research on stock-based compensation.

Other topics discussed at the meeting included the FASB's projects on going concern and leases.

Next Steps: The next PCC meeting is scheduled for July 15, 2014.

Other Resources: For more information, see the [meeting recap](#) on the FASB's Web site. ●

Simplification Initiative

FASB Adds Projects to Agenda as Part of Simplification Initiative*

Affects: All entities.

Summary: On June 10, 2014, the FASB added projects on the following topics to its agenda as part of its initiative to simplify U.S. GAAP:

- *Measurement of inventory* — Inventory would “be measured at the lower of cost and net realizable value.” Under current U.S. GAAP, entities “consider net realizable value, replacement cost, and net realizable value less a normal profit margin when measuring inventory.”
- *Income statement presentation* — The extraordinary-items concept would be eliminated from U.S. GAAP. Currently, entities are required to “evaluate whether an event or transaction is an extraordinary item; and if it is an extraordinary item — to separately present and disclose the item.”

The purpose of the FASB’s simplification initiative is to reduce the cost and complexity of implementing certain aspects of U.S. GAAP while increasing the decision-useful information provided to investors.

Other Resources: For more information, see the [press release](#) on the FASB’s Web site. ●

XBRL

FASB Issues Four Taxonomy Implementation Guides*

Affects: All entities.

Summary: In June 2014, the FASB issued taxonomy implementation guides on (1) [notional amount disclosures](#), (2) [segment reporting](#), (3) [the liquidation basis of accounting](#), and (4) [subsequent events](#). The purpose of the guides is to help financial statement preparers use the U.S. GAAP Financial Reporting Taxonomy in creating their XBRL documents. ●

International

IASB Announces Transition Resource Group Related to Financial Instrument Impairment*

Affects: Entities reporting under IFRSs.

Summary: On June 23, 2014, the IASB announced that it is planning to establish a transition resource group (TRG) to discuss “implementation issues that may arise as a result of” the new guidance on impairment of financial instruments in IFRS 9, which is expected to be issued later this year. The TRG’s primary focus is expected to be IFRS 9’s new expected credit loss model, which “will represent a fundamental change to current practice.”

Next Steps: Applications for membership in the TRG are due by July 14, 2014.

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

IASB Releases Charter Affirming Standard-Setting Cooperation

Affects: All entities.

Summary: On May 7, 2014, the IASB issued a [charter](#) that establishes principles under which the IASB agrees to cooperate with other IFASS-participating standard setters in developing and maintaining high-quality global accounting standards. Remarking on the charter’s significance, IASB Chairman Hans Hoogervorst noted, “Input from the wider standard-setting community is central to our standard-setting and implementation activities, and is increasingly helpful to the IASB as we expand our research-based agenda, drawing on the expertise of our global stakeholders.”

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

Auditing Developments

AICPA

AICPA Issues Exposure Draft on Breaches of an Independence Interpretation*

Affects: Auditors of public entities.

Summary: On June 16, 2014, the PEEC of the AICPA issued an [ED](#) on breaches of an independence interpretation. The ED would amend the AICPA's guidance in ET Section 91 and add Interpretation 101-20 to Rule 101.

Under the AICPA's current guidance, a member firm must resign from an attest engagement whenever a breach of an independence interpretation occurs, "regardless of the consequences of the breach." The ED would revise this guidance to indicate that because such a resignation may not be in the public's interest, a member firm would not automatically be required to resign if it is determined that the breach's consequences "do not affect the attest engagement team's integrity, objectivity, and professional skepticism."

Next Steps: Comments on the ED are due by September 16, 2014. ●

AICPA Issues Exposure Draft on Peer Review

Affects: Auditors that perform engagement reviews.

Summary: On May 20, 2014, the AICPA issued an [ED](#) that would remove the peer review rating exception designed to benefit firms that perform multiple engagements. Specifically, the exception applies to situations in which "there is more than one engagement submitted for review, the same exact deficiency occurs on each of the engagements submitted for review, and there are no other deficiencies." The AICPA is issuing the ED in response to concerns that the exception, despite its benefits, was resulting in "inconsistent report ratings" in engagement reviews. Under the exception, audit firms that meet the above criteria currently receive a rating of "pass with deficiencies." The ED would restore the AICPA's originally proposed guidance, under which all firms for which "the same exact deficiency occurs on all engagements submitted for review" would receive a "fail" rating.

Next Steps: Comments on the ED are due by July 5, 2014. ●

AICPA Issues Technical Practice Aids on Auditing Issues Related to Private-Company Accounting Alternatives

Affects: Private companies and their auditors.

Summary: In April 2014, the AICPA released two new TPAs (TIS Sections 9150.34 and 9160.30) that provide nonauthoritative guidance on potential modifications to an accountant's compilation or review report or an auditor's report when a previously issued report has changed as a result of a client's adoption of the private-company consolidation guidance in ASU 2014-07.

Other Resources: For more information about the FASB's and PCC's alternative consolidation requirements for private companies, see Deloitte's March 21, 2014, [journal entry](#). ●

CAQ

CAQ Releases Highlights of SEC Regulations Committee's March 21 Meeting*

Affects: All entities.

Summary: On June 26, 2014, the CAQ posted [highlights](#) of the March 21, 2014, CAQ SEC Regulations Committee Meeting with the SEC staff to its Web site. Topics discussed at the meeting included:

- Recent updates made to the SEC Financial Reporting Manual.
- The definition of a public business entity.
- Sustainability disclosures.

- The SEC's proposals related to crowdfunding and Regulation A.
- The SEC's study (mandated by the JOBS Act) of the effectiveness of the disclosure requirements in Regulation S-K.
- The Commission's rules on conflict minerals and resource extraction issuers.
- An update from the SEC's Division of Enforcement.
- A registrant's presentation of dividends per share on the face of its annual income statement.
- Due dates for inclusion of a lessee's or tenant's audited financial statements in a Form 10-K when one or more properties have been triple net leased to the lessee/tenant and these properties are a significant portion of the registrant's assets.
- Presentation of pro forma income statements for the comparative interim period.
- Retrospective revision of previously issued annual financial statements when an abbreviated registration statement has been filed in accordance with Rule 462(b) of the Securities Act of 1933.
- Application of Regulation S-X, Rule 4-08(g), when a registrant provides separate financial statements for a significant investee and the remaining investees, in the aggregate, are less than 10 percent significant.
- Individually insignificant real estate acquisitions acquired during the year. ●

CAQ Details Field-Test Findings Related to PCAOB's Proposal on Auditor Reporting Model*

Affects: Auditors.

Summary: On June 19, 2014, CAQ Executive Director Cindy Fornelli sent the PCAOB a [letter](#) detailing the results of the CAQ's initiative to field-test certain aspects of the PCAOB's auditor reporting model. Although Ms. Fornelli notes that the CAQ "continues to support the [PCAOB's] efforts to update and enhance the auditor's reporting model," the findings recommend several potential improvements to the model, including suggested enhancements to the determination, communication, and documentation of critical audit matters.

Other Resources: For more information, see the [press release](#) on the CAQ's Web site. ●

CAQ and AICPA Issue Member Alert on Regulatory Changes Related to Audits of Broker-Dealers and Futures Commission Merchants

Affects: Auditors of broker-dealers and futures commission merchants.

Summary: On May 12, 2014, the CAQ and AICPA issued a [member alert](#) that summarizes the potential effects of certain regulatory changes made by the SEC, PCAOB, and CFTC on "audits and attestation engagements of brokers and dealers (broker-dealers) and futures commission merchants . . . , including those entities that are dually registered." Specific regulation addressed in the alert includes the following:

- The SEC's amendments to Rule 17a-5 of the Securities Exchange Act of 1934, including those related to the custody rule, notification requirements, statements regarding an independent accountant, and independence.
- Reporting and communication requirements under PCAOB Attestation Standards 1 and 2.
- Auditing requirements under PCAOB Auditing Standard 17.
- The CFTC's customer protection rules for futures commission merchants.

Next Steps: Most of the regulatory changes detailed in the member alert are effective for audits and attestation engagements of broker-dealers and futures commission merchants whose fiscal years end on or after June 1, 2014.

Other Resources: For more information, see the [press release](#) on the CAQ's Web site. ●

CAQ Outlines Approach to Audit Quality Indicators

Affects: Public entities and their auditors.

Summary: On April 24, 2014, the CAQ issued a [paper](#) outlining an approach to the identification of key audit quality indicators (AQIs). According to the paper, one of the key objectives of communicating AQIs is to help audit committees understand an audit firm's "system of quality control," including its "policies, procedures, and processes." AQIs identified in the paper include:

- The audit firm's leadership and "tone at the top."
- The engagement team's "knowledge, experience, and workload."
- Results of findings from PCAOB inspections of the firm's engagement process.
- Reissuance restatements related to public companies' recently issued financial statements.
- An auditor's withdrawal of a previously issued report on ICFR.

Next Steps: The CAQ plans to conduct pilot-testing of its AQIs with certain audit committees in several phases throughout 2014.

Other Resources: For more information, see the [press release](#) on the CAQ's Web site. ●

PCAOB

PCAOB Issues Staff Guidance for Auditors of Broker-Dealers*

Affects: Auditors of broker-dealers.

Summary: On June 26, 2014, the PCAOB issued [staff guidance](#) to help auditors of SEC-registered brokers and dealers plan and perform audits in accordance with the (1) significant provisions of SEC Rule 17a-5 and (2) PCAOB standards and rules applicable to audits of broker-dealers.

Other Resources: For more information, see the [press release](#) on the PCAOB's Web site. ●

PCAOB Issues Auditing Standard on Related Parties*

Affects: Registered public accounting firms.

Summary: On June 10, 2014, the PCAOB issued a [release](#) containing a new auditing standard on related parties as well as amendments to PCAOB auditing standards on significant unusual transactions, executive compensation, and other matters. If approved by the SEC, the new guidance would supersede PCAOB AU Sections 334 and 9334. The new standard is the result of modifications made by the PCAOB to a [reproposed standard](#) (issued on May 7, 2013) on the basis of comment-letter feedback and a discussion at the May 15, 2013, Standing Advisory Group meeting.

The release notes that the new standard establishes "basic required procedures that are supplemented by more in-depth procedures" that would be performed on the basis of the auditor's judgment and would therefore allow the requirements to be scaled to the facts and circumstances of the audit. The new standard carries forward much of the content from the reproposed standard. In certain circumstances, however, the Board made revisions to "clarify and refine various aspects" of the new standard. For example, the Board (1) included additional examples of others in the company to whom an auditor may direct inquiries about related parties and (2) refined the new standard to prominently emphasize that the auditor's responsibility for the identification of related parties includes testing the accuracy and completeness of the company's identification of its related parties and relationships and transactions with its related parties (taking into account information already gathered during the audit).

The CAQ has recently issued a [statement](#) supporting the new PCAOB standard. In the words of CAQ Executive Director Cindy Fornelli, "The CAQ continues to support the PCAOB's efforts to improve audit quality through strengthening the requirements relating to the auditor's evaluation of a company's identification of, accounting for, and disclosure of its relationships and transactions with related parties."

Next Steps: If approved by the SEC, the new guidance would be effective for audits of fiscal years beginning on or after December 15, 2014, including reviews of interim financial information within these fiscal years.

Other Resources: Deloitte's June 23, 2014, [Heads Up](#). Also see the [press release](#) on the PCAOB's Web site. ●

PCAOB Announces Issuance of Staff Guidance on Economic Analysis of PCAOB Standard Setting

Affects: Registered public accounting firms.

Summary: On May 15, 2014, the PCAOB announced the public issuance of its February 2014 [staff guidance](#) on economic analysis of its standards and projects. The staff guidance discusses three main topics:

- The legal context within which an economic analysis is performed (e.g., SEC approval of pending PCAOB guidance).
- The primary components of an economic analysis of PCAOB rules and regulations.
- The integration of an economic analysis into the Board's rulemaking process.

In the words of PCAOB Chairman James Doty, the new guidance "builds on the PCAOB's existing rulemaking process by establishing an analytical framework for staff to evaluate the economic implications of standard-setting projects that are presented for Board consideration."

Other Resources: For more information, see the [press release](#) on the PCAOB's Web site. ●

PCAOB Solicits Additional Comments on Its Proposal for Reorganizing Auditing Standards

Affects: Registered public accounting firms.

Summary: On May 7, 2014, the PCAOB issued a [release](#) containing a supplemental request for comment on its proposed reorganization of its auditing standards. The proposed framework reorders and renumbers the standards "without redrafting the standards, imposing new requirements on auditors, or making substantive changes to the requirements." In addition to detailing framework-related amendments and proposing minor refinements to the [original proposed framework](#), the release contains information on how interested parties can access the "[online demonstration version](#)" of the proposed changes, which the PCAOB recently posted to its Web site.

Next Steps: Comments on the release are due by July 8, 2014.

Other Resources: For more information, see the [press release](#) on the PCAOB's Web site. ●

International

IIA Publishes Practice Guide on Anticorruption and Antibribery*

Affects: Internal auditors.

Summary: On June 10, 2014, the IIA released a [practice guide](#) that discusses key aspects of an internal auditor's responsibilities related to auditing an entity's anticorruption and antibribery programs. The guide stresses the importance of establishing effective safeguards against corruption and bribery.

Other Resources: For more information, see the [press release](#) on the IIA's Web site. ●

European Parliament Overhauls Auditing Practices

Affects: All entities and their auditors.

Summary: On May 28, 2014, the European Parliament issued [rules](#) that dramatically reform international auditing practices. The overall objectives of the rules, which are part of Europe's ongoing attempts to fix the underlying problems that contributed to the global financial crisis, are to increase the quality and transparency of audits and eliminate conflicts of interest. Specific provisions of the rules include:

- Requiring that audit reports released in the EU adhere to international auditing standards.
- Eliminating contractual provisions stipulating that audits must be performed by one of the Big Four firms.

- Implementing a mandatory audit firm rotation rule.
- Prohibiting EU audit firms from performing certain nonaudit services.

Next Steps: The provision related to Big Four firms will become effective on June 17, 2017. Most of the other regulations will become effective on June 17, 2016. ●

IESBA Proposes Amendments to Nonassurance Services Provisions of *Code of Ethics for Professional Accountants*

Affects: Auditors providing nonassurance services.

Summary: On May 20, 2014, the IESBA issued an [ED](#) that is intended to improve the nonassurance services provisions in its *Code of Ethics for Professional Accountants*. The enhancements include:

- Clarification of “management responsibility” and the term “routine or mechanical.”
- Removal of “the provision that permits an audit firm to provide certain bookkeeping and taxation services to public interest entity audit clients in emergency situations.”

Next Steps: Comments on the ED are due by August 18, 2014.

Other Resources: For more information, see the [press release](#) on IFAC’s Web site. ●

IAASB Issues Proposal on Auditing Financial Statement Disclosures

Affects: Auditors that perform audits under ISAs.

Summary: On May 14, 2014, the IAASB issued an [ED](#) that would amend certain ISAs to clarify the requirements for auditing financial statement disclosures. The ED includes “new guidance on considerations relevant to disclosures — from when the auditor plans the audit and assesses the risks of material misstatement, to when the auditor evaluates misstatements and forms an opinion on the financial statements.”

Next Steps: Comments on the ED are due by September 11, 2014.

Other Resources: For more information, see the [press release](#) on IFAC’s Web site. ●

IAASB Reexposes Auditing Standard on Auditor’s Responsibilities

Affects: Auditors applying ISAs.

Summary: On April 18, 2014, the IAASB issued a [reproposed auditing standard](#) that “clarifies and strengthens the scope and focus of auditor efforts on information included in entities’ annual reports, other than the audited financial statements, and introduces new auditor reporting responsibilities.” The IAASB is reexposing the standard in response to feedback from stakeholders that certain facets of its original 2012 proposal need to be clarified.

Next Steps: Comments on the reproposed standard are due by July 18, 2014.

Other Resources: For more information, see the [press release](#) on IFAC’s Web site. ●

IFIAR’s 2013 Inspections Report Notes Critical Deficiencies in Key Audit Areas

Affects: All entities and their auditors.

Summary: On April 10, 2014, the IFIAR released a [report](#) on the findings from its 2013 survey of audit firms. The report notes a number of deficiencies in key aspects of audit firms’ performance, including failures to obtain sufficient appropriate audit evidence and address material errors. IFIAR Chair Lewis H. Ferguson summed up the findings by cautioning that the “high rate and severity of inspection deficiencies in critical aspects of the audit, and at some of the world’s largest and systemically important financial institutions, is a wake-up call to firms and regulators alike: More must be done to improve the reliability of audit work performed globally on behalf of investors.”

Other Resources: For more information, see the [press release](#) on the IFIAR’s Web site. ●

Governmental Accounting and Auditing Developments

AICPA

AICPA Issues Audit Interpretations of Guidance on Governmental Pension Plans

Affects: Governmental entities and their auditors.

Summary: In April 2014, the AICPA issued the following new audit interpretations to help auditors of governmental pension plans implement the requirements of GASB Statements 67 and 68:

- [Interpretation No. 2, "Auditor of Participating Employer in a Governmental Cost-Sharing Multiple-Employer Pension Plan," of AU-C Section 500, "Audit Evidence."](#)
- [Interpretation No. 1, "Auditor of Participating Employer in a Governmental Pension Plan," of AU-C Section 600, "Special Considerations — Audits of Group Financial Statements \(Including the Work of Component Auditors\)."](#)
- [Interpretation No. 1, "Auditor of Governmental Cost-Sharing Multiple-Employer Pension Plan," of AU-C Section 805, "Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement."](#)

Although the interpretations are not authoritative guidance, AU-C Section 200 specifies that auditors must consider all relevant interpretive guidance in planning for and performing an audit. ●

FASAB

FASAB Proposes Deferral of Transition Related to Statement of Long-Term Projections

Affects: Entities applying federal financial accounting standards.

Summary: On April 30, 2014, the FASAB issued an [ED](#) that would defer by one year — from fiscal year 2014 to fiscal year 2015 — "the transition of the statement presenting long-term fiscal projections for the U.S. government and related disclosures from required supplementary information (RSI) to a basic financial statement."

Comments on the ED were due by June 2, 2014.

Other Resources: For more information, see the [press release](#) on the FASAB's Web site. ●

GASB

GASB Issues Proposals Related to Pension Plan Reporting*

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

Summary: On June 16, 2014, the GASB posted to its Web site the following three EDs that would improve governmental entities' reporting related to OPEB and pension plans:

- [Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.](#)
- [Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.](#)
- [Accounting and Financial Reporting for Pensions and Financial Reporting for Pension Plans That Are Not Administered Through Trusts That Meet Specified Criteria, and Amendments to Certain Provisions of GASB Statements 67 and 68.](#)

The objective of the first two EDs is to increase the transparency of OPEB reporting by requiring "governments to recognize their net OPEB liabilities on the face of their financial statements." The third ED contains "requirements for pensions and pension plans that are outside the scope of the pension standards the GASB released in 2012."

Next Steps: Comments on all three EDs are due by August 29, 2014.

Other Resources: For more information, see the [May 28](#) and [June 16](#) press releases on the GASB's Web site. ●

GASB Issues Proposal on Fair Value Measurement

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

Summary: On May 5, 2014, the GASB issued an [ED](#) of a proposed Statement that is intended “to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, enhancing the fair value application guidance, and enhancing disclosures about fair value measurements” (footnote omitted). According to GASB Chairman David Vaudt, the proposed Statement would “increase clarity, consistency, and comparability in governments’ fair value measurements and their related disclosures.”

Next Steps: Comments on the ED are due by August 15, 2014.

Other Resources: For more information, see the [press release](#) on the GASB’s Web site. ●

GASB Issues Concepts Statement on Measuring Financial Statement Elements

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

Summary: On April 14, 2014, the GASB issued a [concepts statement](#) that is intended to help the Board identify concepts “to consider when developing standards for measurement of elements of financial statements.”

Other Resources: For more information, see the [press release](#) on the GASB’s Web site. ●

Regulatory and Compliance Developments

SASB

SASB Issues Third and Fourth Sets of Provisional Standards*

Affects: Entities in industries within the scope of the standards.

Summary: On June 25, 2014, the SASB issued provisional standards for the nonrenewable resources sector. The standards apply to the following industries:

- Oil and gas — exploration and production.
- Oil and gas — midstream.
- Oil and gas — refining and marketing.
- Oil and gas — services.
- Coal operations.
- Iron and steel producers.
- Metals and mining.
- Construction materials.

Earlier this quarter, on April 4, 2014, the SASB also issued provisional standards for the following six industries in the technology and communications sector:

- Electronic manufacturing services and original design manufacturing.
- Software and IT services.
- Hardware.
- Semiconductors.
- Telecommunications.
- Internet media and services.

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

SEC

SEC Issues Final Rule on Cross-Border Security-Based Swaps*

Affects: SEC registrants.

Summary: On June 26, 2014, the SEC issued a [final rule](#) that explains “when a cross-border transaction must be counted toward the requirement to register as a security-based swap dealer or major security-based swap participant.” In addition, the rule addresses “the scope of the SEC’s cross-border anti-fraud authority.”

Next Steps: The final rule will become effective 60 days after the date of its publication in the *Federal Register*.

Other Resources: For more information, see the [press release](#) on the SEC’s Web site. ●

SEC Revises EDGAR Filer Manual and Posts Drafts of Manual to Its Web Site*

Affects: SEC registrants.

Summary: On June 20, 2014, the SEC issued a [final rule](#) that revises its EDGAR Filer Manual “to reflect updates to the EDGAR system.” The final rule states that the “revisions are being made primarily to support the US GAAP 2014 Taxonomy, validate the filings containing EX-101 XBRL documents, update the Public Validation Criteria validation in EX-101.INS documents, change the ABS Asset Class value ‘Corporate Debt’ for ABS-15G and ABS-15G/A to ‘Debt Securities,’ disseminate unofficial PDF copies of COVER and CORRESP attachments to EDGARLink Online submissions at the discretion of the SEC, update the Frequently Asked Questions (FAQ) screens, and revise the N-SAR system requirements.”

The final rule became effective upon issuance.

In addition, in May 2014, the SEC posted to its Web site [Volume I \(Version 17\)](#), [Volume II \(Version 27\)](#), and [Volume III \(Version 3\)](#) of the EDGAR Filer Manual. Changes that the drafts will make to EDGAR include the following:

- Support for the U.S. GAAP 2014 Taxonomy.
- Discontinued support for the U.S. GAAP 2012 Taxonomy and U.S. 2011 Document and Entity Information Taxonomy.
- Improvements to filings containing the EX-101 XBRL documents.
- Renaming “corporate debt” to “debt securities” for certain submission form types.
- Change in the dissemination method for unofficial PDF attachments to EDGARLink Online submissions.
- Updated FAQ section on EDGAR filing Web site.

Next Steps: The drafts have not yet been approved by the Commission and are subject to change. The final version of the EDGAR Filer Manual will be posted on the SEC’s Web site once it has been approved. ●

SEC Chairman Remarks on IFRSs at Dinner for FAF Trustees

Affects: All entities.

Summary: In a May 20, 2014, [speech](#) at the annual FAF trustees dinner in Washington, D.C., SEC Chairman Mary Jo White discussed when the SEC will provide more information on the incorporation of IFRSs into U.S. domestic capital markets, stating that she hopes to “be able to say more in the relatively near future.” Ms. White also applauded the FASB’s and IASB’s convergence efforts, in particular the boards’ joint project on revenue recognition, which has culminated in the release of “one of our most fundamental and critical standards.” ●

SEC Issues C&DIs on Social Media Communications

Affects: SEC registrants.

Summary: On April 21, 2014, the SEC's Division of Corporation Finance issued the following new [C&DIs](#) of rules under the Securities Act of 1933, which provide interpretive guidance on communications with security holders or investors through social media outlets:

- Questions 110.01, 164.02, and 232.15 list limited circumstances in which a registrant would be permitted to supply a hyperlink to comply with certain reporting requirements under the Securities Act.
- Questions 110.02 and 232.16 clarify that if certain conditions are met, a registrant is not required to ensure that an electronic communication redistributed by a third party complies with the Securities Act. ●

SEC Issues Proposal on Security-Based Swaps

Affects: SEC registrants.

Summary: On April 17, 2014, the SEC issued a [proposed rule](#) that would revise the requirements for "security-based swap dealers and major security-based swap market participants" under the Securities Exchange Act of 1934. The proposal is being issued in response to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which "authorizes the SEC and other regulators to put in place a comprehensive framework to regulate the over-the-counter swaps and security-based swaps markets."

Comments on the proposed rule were due by July 1, 2014.

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

Court Finds SEC's Conflict Minerals Rule Violates First Amendment

Affects: SEC registrants.

Summary: On April 14, 2014, the U.S. Court of Appeals for the District of Columbia Circuit held that parts of the SEC's [rule](#) on conflict minerals and of Section 1502 of the Dodd-Frank Act violate the First Amendment of the U.S. Constitution to the extent that they require "regulated entities to report to the Commission and to state on their website that any of their products have not been found to be 'DRC conflict free.'"

The court stated that the "requirement that an issuer use the particular descriptor 'not been found to be DRC conflict free' may arise as a result of the Commission's discretionary choices, and not as a result of the statute itself. We only hold that the statute violates the First Amendment to the extent that it imposes that description requirement. If the description is purely a result of the Commission's rule, then our First Amendment holding leaves the statute itself unaffected."

The court rejected the following claims by the appellants regarding the SEC's rule:

- The rule should have included an exception for de minimis uses.
- The SEC's requirement for due diligence is inconsistent with the statute, and its due diligence threshold was arbitrary and capricious.
- Applicability to those that contract to manufacture is inconsistent with the statute.
- The temporary phase-in period is arbitrary and capricious.
- The SEC did not adequately analyze the costs and benefits of the rule and failed to determine whether the rule would actually achieve its intended purpose.

The court remanded the case back to the U.S. District Court for the District of Columbia for further proceedings. However, on April 29, 2014, the staff in the SEC's Division of Corporation Finance issued a [statement](#) indicating that the SEC still expects companies to file any reports (Form SD or a Conflict Minerals Report) required by the rule on or before the June 2, 2014, due date and that those reports should comply with and address the provisions of the rule that the court upheld.

In addition, on May 2, 2014, the SEC issued an [order](#) staying the effective date of certain conflict-minerals-related portions of Form SD and Rule 13p-1 of the Securities Exchange Act of 1934, which were adopted in accordance with the mandate in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The SEC is ordering this stay in response to the decision made by the U.S. Court of Appeals. The stay is effective immediately pending further judicial proceedings.

Other Resources: For more information about the SEC’s guidance on conflict minerals, see the [FAQs](#) on the SEC’s Web site. Also see Deloitte’s May 1, 2014, [journal entry](#) and the [press release](#) on the SEC’s Web site. ●

SEC Issues FAQs on Broker-Dealers

Affects: SEC registrants.

Summary: In April 2014, the SEC’s Division of Trading and Markets issued two sets of FAQs ([April 4](#) and [April 15](#)) that offer interpretive guidance on certain aspects of the broker-dealer provisions in the Exchange Act. The April 4 FAQs cover questions related to the SEC’s July 30, 2013, [final rule](#) on the financial responsibility requirements for broker-dealers (specifically the amendments to Rule 17a-5), while the April 15 set addresses risk management controls for broker-dealers with market access under Rule 15c3-5, as outlined in the SEC’s November 3, 2010, [final rule](#) on this topic. ●

International

Basel Committee Issues Consultative Document on Pillar 3 Disclosure Requirements*

Affects: Banking entities.

Summary: On June 24, 2014, the Basel Committee issued a [consultative document](#) that is intended to “enhance comparability across banks by ensuring greater consistency in the way they disclose information about risk exposures. The review was prompted by concerns that the [Basel framework’s existing Pillar 3](#) disclosure regime failed to promote the early identification of a bank’s material risks and did not provide sufficient information to enable market participants to assess a bank’s overall capital adequacy.”

Next Steps: Comments on the consultative document are due by September 26, 2014.

Other Resources: For more information, see the [press release](#) on the BIS’s Web site. ●

Basel Committee Issues Final Standards on Counterparties

Affects: Banking entities.

Summary: On April 10, 2014, the Basel Committee issued a [final standard](#) on central counterparties (CCPs) that, when it becomes effective, will supersede the interim CCP requirements the committee published in July 2012. The final standard would improve upon the interim requirements by:

- Prescribing “a single approach for calculating capital requirements for a bank’s exposure that arises from its contributions to the mutualised default fund of a qualifying CCP (QCCP).”
- Using “the standardised approach for counterparty credit risk . . . to measure the hypothetical capital requirement of a CCP.”
- Explicitly capping the capital charges that apply to a bank’s QCCP exposures.
- Indicating how an entity should treat “multi-level client structures whereby an institution clears its trades through intermediaries linked to a CCP.”
- Including responses to FAQs that the Basel Committee has been asked while working on the final standard.

In addition, on April 15, 2014, the Basel Committee issued a [final standard](#) that “includes a general limit applied to all of a bank’s exposures to a single counterparty, which is set at 25% of a bank’s Tier 1 capital.” The final standard revises the committee’s March 2013 proposal to:

- Make “the definition and the reporting thresholds . . . 10% of the eligible capital base (instead of the 5% initially proposed).”

- Modify “the treatment of a limited range of credit default swaps (CDS) used as hedges in the trading book . . . so that it is more closely aligned with the risk-based capital framework.”
- Replace “the initially proposed granularity threshold for exposures to securitisation vehicles . . . with a materiality threshold related to the capital base of the bank (calibrated at 0.25% of the capital base).”
- Recognize “particular features of some covered bonds.”

Next Steps: The final standard on CCPs will become effective on January 1, 2017, and the final standard on large exposures will become effective on January 1, 2019.

Other Resources: For more information, see the [April 10](#) and [April 15](#) press releases on the BIS’s Web site. ●

IIRC and CIPFA Announce Network to Promote Integrated Reporting

Affects: All entities.

Summary: On May 8, 2014, the IIRC and CIPFA announced the creation of a “pioneer network” that is intended to enhance integrated reporting in the public sector. The new network “will help identify and address key sector specific aspects for <IR> and facilitate the application of <IR> to public sector organizations.”

Other Resources: For more information, see the [press release](#) on the IIRC’s Web site. ●

Appendix A: Current Status of FASB Projects

This appendix summarizes the objectives,¹ current status, and next steps for the FASB's active standard-setting projects (excluding research initiatives). Convergence projects are listed first; the remaining projects are listed in alphabetical order.

Project	Description	Status and Next Steps
Convergence Projects		
Accounting for financial instruments (AFI)	<p>The AFI project consists of three phases: (1) classification and measurement, (2) impairment, and (3) hedging.</p> <p>The overall purpose of the AFI project is to "significantly improve the decision usefulness of financial instrument reporting for users of financial statements. . . . [The FASB believes] that simplification of the accounting requirements for financial instruments should be an outcome of this improvement."</p>	<p>Classification and Measurement</p> <p>In late 2013 and early 2014, the FASB decided to abandon work on a converged approach that it had exposed for comment in February 2013. The Board is currently deliberating targeted improvements to existing GAAP and is expected to issue a final standard in the second half of 2014. In the second quarter of 2014, the FASB discussed a number of items related to classification and measurement. For more information, see Deloitte's February 10, 2014, Heads Up; April, 4, 2014, journal entry; and May 16, 2014, journal entry.</p> <p>Impairment</p> <p>In 2012, the FASB decided to abandon work on a converged approach. The Board is currently deliberating aspects of the current expected credit loss model that it exposed for comment in 2012 and is expected to issue a final standard in the second half of 2014. For more information, see Deloitte's August 20, 2013, Heads Up and June 16, 2014, journal entry.</p> <p>Hedging</p> <p>The FASB is expected to begin its deliberations once the classification and measurement and impairment phases of the AFI project are substantially complete.</p>
Leases	The purpose of this project is to "increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information."	In the second quarter of 2014, the FASB and IASB held three joint meetings to continue deliberating the leases project. No estimated completion date is available for the project. For more information, see Deloitte's March 27, 2014, Heads Up ; April 25, 2014, journal entry ; May 23, 2014, journal entry ; and June 20, 2014, journal entry .
Revenue recognition	<p>The purpose of this project is to clarify revenue recognition principles and develop a converged revenue standard. The new standard:</p> <ul style="list-style-type: none"> • "Remove[s] inconsistencies and weaknesses in existing revenue requirements." • "Provide[s] a more robust framework for addressing revenue issues." • "Improve[s] comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets." • "Provide[s] more useful information to users of financial statements through improved disclosure requirements." • "Simplif[ies] the preparation of financial statements by reducing the number of requirements to which an entity must refer." 	On May 28, 2014, the boards issued a final standard. For more information, see Deloitte's May 28, 2014, Heads Up .

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

Project	Description	Status and Next Steps
FASB-Only Projects		
Accounting for goodwill for public business entities and not-for-profit entities	The purpose of this project is to “reduce the cost and complexity of the subsequent accounting for goodwill for public business entities and not-for-profit entities.”	The FASB is currently waiting for the IASB to complete its post-implementation review of IFRS 3 before continuing redeliberations. No estimated completion date is available for the project.
Clarifying certain existing principles on statement of cash flows	The purpose of this project is to “to reduce diversity in practice in financial reporting by clarifying certain existing principles in Topic 230, <i>Statement of Cash Flows</i> , including providing additional guidance on how and what an entity should consider in determining the classification of certain cash flows.”	The FASB has not yet begun deliberating this project.
Clarifying the definition of a business	The purpose of this project is to “clarify the definition of a business with the objective of addressing whether transactions involving in-substance nonfinancial assets (held directly or in a subsidiary) should be accounted for as acquisitions (or disposals) of nonfinancial assets or as acquisitions (or disposals) of businesses. The project will include clarifying the guidance for partial sales or transfers and the corresponding acquisition of partial interests in a nonfinancial asset or assets.”	The FASB has not yet begun deliberating this project.
Consolidation: principal-versus-agent analysis	The purpose of this project is to “[p]rovide criteria for a reporting entity to evaluate whether a decision maker is using its power as a princip[al] or agent, [e]liminate inconsistencies in evaluating kick-out and participating rights, [and] [a]mend the requirements for evaluating whether a general partner controls a limited partnership.”	The FASB is currently deliberating various aspects of this project. No estimated completion date is available for the project. In the second quarter of 2014, the FASB discussed the money market fund scope exception, situations in which fee arrangements represent variable interests, and the application of the related-party tiebreaker test. For more information, see Deloitte’s April 16, 2014, journal entry and May 8, 2014, journal entry .
Customer’s accounting for fees in a cloud computing arrangement	The purpose of this project is to “improve the guidance . . . about how a customer should account for its fees paid in a cloud computing arrangement.”	In June 2014, the FASB tentatively decided that the guidance in ASC 985-605-55-121 through 55-123 would be within the scope of ASC 350-40 and that entities would apply that guidance to cloud computing arrangements in determining whether a contract includes a software license or instead is a service contract. The FASB is expected to issue an ED in the second half of 2014.
Development-stage entities	The purpose of this project is to “reduce cost and complexity in the financial reporting system by eliminating inception-to-date information from the financial statements of development stage entities.” The project will eliminate the concept of a development-stage entity from U.S. GAAP, effectively removing ASC 915 from the Codification.	On June 10, 2014, the FASB issued a final standard. For more information, see Deloitte’s June 11, 2014, journal entry .

Project	Description	Status and Next Steps
Disclosure framework	The disclosure framework project consists of two phases: (1) the FASB's decision process and (2) the entity's decision process. The overall objective of the project is to "improve the effectiveness of disclosures in notes to financial statements by clearly communicating the information that is most important to users of each entity's financial statements. (Although reducing the volume of the notes to financial statements is not the primary focus, the Board hopes that a sharper focus on important information will result in reduced volume in most cases.)"	<p>FASB Decision Process</p> <p>On March 4, 2014, the FASB issued an ED of a proposed Concepts Statement that would add a new chapter to the Board's conceptual framework for financial reporting. Comments on the ED are due by July 14, 2014. For more information, see Deloitte's March 6, 2014, Heads Up.</p> <p>Entity Decision Process</p> <p>The FASB staff is currently analyzing ways to "further promote the appropriate use of discretion" by entities. This process will take into account "section-specific modifications" to ASC 820, ASC 715, and ASC 740.</p>
Financial statements of not-for-profit entities	<p>The purpose of this project is to "reexamine existing standards for financial statement presentation by not-for-profit entities, focusing on improving:</p> <ol style="list-style-type: none"> 1. Net asset classification requirements 2. Information provided in financial statements and notes about liquidity, financial performance, and cash flows." 	The FASB is currently deliberating various aspects of this project and is expected to issue an ED in the second half of 2014.
Government assistance disclosures	The purpose of this project is to "develop disclosure requirements about government assistance that improves the content, quality and comparability of financial information and financial statements and that is responsive to the emerging issues in the changing financial and economic environment in which reporting entities operate."	The FASB has not yet begun deliberating this project.
Going concern	The purpose of this project is to "provide preparers with guidance in U.S. GAAP on management's responsibilities for evaluating and disclosing going concern uncertainties and, thereby, reduce existing diversity in footnote disclosures. In doing so, the Board believes that the proposal also would improve the timeliness and the quality of footnote disclosures about going concern uncertainties."	In May 2014, the FASB continued redeliberating going concern and decided to issue an ASU. For more information, see Deloitte's May 8, 2014, journal entry .
Insurance	The purpose of this project is to "develop targeted improvements to insurance accounting. Those improvements may address recognition, measurement, presentation, and disclosure requirements for long-duration insurance contracts (including reinsurance). For short-duration contracts, improvements would center on enhanced disclosures."	In March 2014, the FASB decided to limit the scope of the project and focus on targeted improvements to existing GAAP. In April and June 2014, the FASB discussed the direction of its project on long-duration insurance contracts and the disclosure requirements for short-duration insurance contracts. No estimated completion date is available for the project. For more information, see Deloitte's February 24, 2014, Heads Up ; April 17, 2014, journal entry ; and June 6, 2014, journal entry .
Investment companies: disclosures about investments in another investment company	The purpose of this project is to "require disclosures in an investment company's financial statements that will provide transparency into the risks, returns, and expenses of an investee that is also an investment company."	In April 2014, the FASB decided to significantly scale back its tentative disclosure requirements. The FASB is expected to issue an ED in the second half of 2014. For more information, see Deloitte's April 4, 2014, journal entry .
Simplifying income statement presentation by eliminating extraordinary items	The purpose of this project is to explore the possible removal of the "extraordinary item" guidance in ASC 225-20 from U.S. GAAP.	On May 28, 2014, the FASB tentatively decided to "remove the concept of extraordinary items from U.S. GAAP" and to require prospective application of this tentative decision. The FASB is expected to issue an ED in the second half of 2014.

Project	Description	Status and Next Steps
Simplifying the subsequent measurement of inventory	The purpose of this project is to explore the possible simplification of the subsequent measurement of inventory under U.S. GAAP.	On May 28, 2014, the FASB tentatively decided that “inventory would be measured at the lower of cost and net realizable value” and that “[a] reporting entity would no longer consider replacement cost or net realizable value less an approximately normal profit margin when measuring inventory.” The FASB is expected to issue an ED in the second half of 2014.
Technical corrections and improvements	The purpose of this project is to “provide regular updates and improvements to the [Codification] based on feedback received from constituents.”	This is a standing project. The FASB is expected to issue an ED in the second half of 2014.
Transfers and servicing: repurchase agreements and similar transactions	The purpose of this project is to “improve the existing accounting and disclosure guidance on repurchase agreements and other transactions involving a transfer and a forward agreement to repurchase the transferred assets at a fixed price from the transferee to address application issues and changes in the marketplace and to ensure that investors obtain useful information about these transactions.”	On June 12, 2014, the FASB issued a final standard. For more information, see Deloitte’s June 19, 2014, Heads Up .

Appendix B: Significant Adoption Dates and Deadlines

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

FASB/EITF	Affects	Status
Significant Adoption Dates		
ASU 2014-12, <i>Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period</i> — a consensus of the FASB Emerging Issues Task Force (issued June 19, 2014)	Reporting entities that grant their employees share-based payments in which the terms of the award stipulate that a performance target that affects vesting could be achieved after the requisite service period.	Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Earlier adoption is permitted. The effective date for public business entities is the same as that for all other entities.
ASU 2014-11, <i>Transfers and Servicing: Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures</i> (issued June 12, 2014)	Entities that enter into repurchase-to-maturity transactions or repurchase financings.	For public business entities, the accounting changes in the ASU are effective for the first interim or annual period beginning after December 15, 2014. For all other entities, the accounting changes are effective for annual periods beginning after December 15, 2014, and interim periods beginning after December 15, 2015. Early application for a public business entity is prohibited; however, all other entities may elect to apply the requirements for interim periods beginning after December 15, 2014.
ASU 2014-10, <i>Development Stage Entities (ASC 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation</i> (issued June 10, 2014)	Development-stage entities under U.S. GAAP, and reporting entities that may hold an interest in an entity that is a development-stage entity.	For public entities, the ASU is effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. For other entities, the ASU is effective for annual reporting periods beginning after December 15, 2014, and interim reporting periods beginning after December 15, 2015. For public business entities, the amendment eliminating the exception to the sufficiency-of-equity-at-risk criterion for development-stage entities in ASC 810-10-15-16 should be applied retrospectively for annual reporting periods beginning after December 15, 2015, and interim periods therein. For all other entities, the amendments to ASC 810 should be applied retrospectively for annual reporting periods beginning after December 15, 2016, and interim reporting periods beginning after December 15, 2017. Early application is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been made available for issuance.

ASU 2014-09, <i>Revenue From Contracts With Customers</i> (issued May 28, 2014)	All entities.	<p>For public entities, the ASU is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016. Early application is not permitted (however, early adoption is optional for entities reporting under IFRSs).</p> <p>For nonpublic entities, the ASU is effective for annual reporting periods beginning after December 15, 2017, and interim reporting periods within annual reporting periods beginning after December 15, 2018. Nonpublic entities may also elect to apply the ASU as of (1) the same effective date as that for public entities (annual reporting periods beginning after December 15, 2016, including interim periods); (2) annual periods beginning after December 15, 2016 (excluding interim reporting periods); or (3) annual periods beginning after December 15, 2017 (including interim reporting periods).</p>
ASU 2014-08, <i>Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity</i> (issued April 10, 2014)	<p>Entities that have either of the following:</p> <ol style="list-style-type: none"> 1. A component of an entity that either is disposed of or meets the criteria in ASC 205-20-45-1E to be classified as held for sale. 2. A business or nonprofit activity that, on acquisition, meets the criteria in ASC 205-20-45-1E to be classified as held for sale. 	Public business entities will apply the new ASU prospectively to all disposals (or classifications as held for sale) that occur in annual periods (and interim periods therein) beginning on or after December 15, 2014. For all other entities, the new ASU will be effective prospectively for annual periods beginning on or after December 15, 2014, and interim periods thereafter. Early adoption is permitted for any annual or interim period for which an entity's financial statements have not yet been previously issued or made available for issuance.
ASU 2014-07, <i>Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements</i> — a consensus of the Private Company Council (issued March 20, 2014)	All entities other than public business entities, not-for-profit entities, or employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which an entity's annual or interim financial statements have not yet been made available for issuance.
ASU 2014-06, <i>Technical Corrections and Improvements Related to Glossary Terms</i> (issued March 14, 2014)	All entities.	Effective upon issuance for both public and nonpublic entities.
ASU 2014-05, <i>Service Concession Arrangements</i> — a consensus of the FASB Emerging Issues Task Force (issued January 23, 2014)	Operating entities in a service concession arrangement entered into with a public-sector entity grantor when the grantor (1) controls or has the ability to modify or approve the services that the operating entity must provide with the infrastructure, to whom it must provide them, and at what price, and (2) controls, through ownership, beneficial entitlement, or otherwise, any residual interest in the infrastructure at the end of the term of the arrangement.	For public business entities, the ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For entities other than public business entities, the ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. The ASU should be applied on a modified retrospective basis to service concession arrangements that exist at the beginning of an entity's fiscal year of adoption.

ASU 2014-04, <i>Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure</i> — a consensus of the FASB Emerging Issues Task Force (issued January 17, 2014)	Creditors who obtain physical possession (resulting from an in-substance repossession or foreclosure) of residential real estate property collateralizing a consumer mortgage loan in satisfaction of a receivable.	For public business entities, the ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For entities other than public business entities, the ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015.
ASU 2014-03, <i>Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps — Simplified Hedge Accounting Approach</i> — a consensus of the Private Company Council (issued January 16, 2014)	All entities except public business entities and not-for-profit entities as defined in the Master Glossary of the <i>FASB Accounting Standards Codification</i> , employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, and financial institutions.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015, with early adoption permitted. Private companies have the option of applying the amendments in this ASU by using either a modified retrospective approach or a full retrospective approach.
ASU 2014-02, <i>Accounting for Goodwill</i> — a consensus of the Private Company Council (issued January 16, 2014)	All entities except public business entities and not-for-profit entities as defined in the Master Glossary of the <i>FASB Accounting Standards Codification</i> and employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting.	The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and new goodwill recognized in annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity's annual or interim financial statements have not yet been made available for issuance.
ASU 2014-01, <i>Accounting for Investments in Qualified Affordable Housing Projects</i> — a consensus of the FASB Emerging Issues Task Force (issued January 15, 2014)	For reporting entities that meet the conditions, and that elect to use the proportional-amortization method, to account for investments in qualified affordable housing projects, all amendments in this ASU apply. For reporting entities that do not meet the conditions or that do not elect the proportional-amortization method, only the disclosure-related amendments in this ASU apply.	The amendments in this ASU are effective for public business entities for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. For all entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2014, and interim periods within annual reporting periods beginning after December 15, 2015. Early adoption is permitted. The amendments in this ASU should be applied retrospectively to all periods presented.
ASU 2013-12, <i>Definition of a Public Business Entity — An Addition to the Master Glossary</i> (issued December 23, 2013)	The FASB and PCC will use the definition of a public business entity in considering the scope of new financial guidance and will identify whether the guidance applies to public business entities.	No actual effective date. However, the term public business entity is used in ASU 2014-02 and ASU 2014-03, which are the first ASUs that use the term "public business entity."
ASU 2013-11, <i>Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists</i> — a consensus of the FASB Emerging Issues Task Force (issued July 18, 2013)	Entities with unrecognized tax benefits for which a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists as of the reporting date.	Effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. For nonpublic entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2014. Retrospective application is permitted.
ASU 2013-08, <i>Financial Services — Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements</i> (issued June 7, 2013)	Entities currently within the scope of ASC 946 that will no longer be investment companies as a result of the amendments in ASU 2013-08. Entities that adopted SOP 07-1 before the FASB's indefinite deferral of that SOP also must assess whether they continue to be within the scope of ASC 946 by determining whether they are investment companies as a result of the amendments to the investment-company assessment in ASU 2013-08. Also, entities that are currently not within the scope of ASC 946 may be investment companies as a result of the amendments in ASU 2013-08.	Effective for an entity's interim and annual reporting periods in fiscal years that begin after December 15, 2013. Early adoption is prohibited.

ASU 2013-07, <i>Liquidation Basis of Accounting</i> (issued April 22, 2013)	Entities that issue financial statements that are presented in conformity with U.S. GAAP except investment companies that are regulated under the Investment Company Act of 1940.	Effective for annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. Entities should apply the requirements prospectively from the day on which liquidation becomes imminent. Early adoption is permitted.
ASU 2013-06, <i>Services Received From Personnel of an Affiliate</i> — a consensus of the FASB Emerging Issues Task Force (issued April 19, 2013)	Not-for-profit entities, including not-for-profit, business-oriented health care entities, that receive services from personnel of an affiliate that directly benefit the recipient not-for-profit entity and for which the affiliate does not charge the recipient not-for-profit entity.	Effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient not-for-profit entity may apply the amendments by using a modified retrospective approach under which all prior periods presented on the adoption date should be adjusted but no adjustment should be made to the beginning balance of net assets for the earliest period presented. Early adoption is permitted.
ASU 2013-05, <i>Parent's Accounting for the Cumulative Translation Adjustment Upon Derecognition of Certain Subsidiaries or Groups of Assets Within a Foreign Entity or of an Investment in a Foreign Entity</i> — a consensus of the FASB Emerging Issues Task Force (issued March 4, 2013)	Entities with foreign subsidiaries or foreign investments.	For public entities, the ASU is effective for fiscal years (and interim periods within those fiscal years) beginning after December 15, 2013. For nonpublic entities, the ASU is effective for the first annual period beginning on or after December 15, 2014, and interim and annual periods thereafter. Early adoption will be permitted for both public and nonpublic entities. The ASU should be applied prospectively from the beginning of the fiscal year of adoption.
ASU 2013-04, <i>Obligations Resulting From Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date</i> — a consensus of the FASB Emerging Issues Task Force (issued February 28, 2013)	Entities that are jointly and severally liable with other entities.	For public entities, the ASU is effective for fiscal years beginning after December 15, 2013 (and interim reporting periods within those years). For nonpublic entities, the ASU is effective for the first annual period ending on or after December 15, 2014, and interim and annual periods thereafter. The ASU should be applied retrospectively to obligations with joint-and-several liabilities existing at the beginning of an entity's fiscal year of adoption. Entities that elect to use hindsight in measuring their obligations during the comparative periods must disclose that fact. Early adoption is permitted.
ASU 2013-02, <i>Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income</i> (issued February 5, 2013)	Entities that issue financial statements in accordance with U.S. GAAP and that report items of OCI. Public companies must comply with these amendments for all reporting periods presented, including interim periods, while nonpublic entities must comply with the amendments for annual reporting periods. For interim reporting periods, nonpublic entities are not required to report the effects of reclassifications on net income but must report information about the amounts reclassified out of AOCI by component for each reporting period. Not-for-profit entities subject to the requirements of ASC 958-205 are outside the scope of these amendments.	For public entities, the amendments are effective prospectively for reporting periods beginning after December 15, 2012. For nonpublic entities, the amendments are effective prospectively for reporting periods beginning after December 15, 2013. Early adoption is permitted.

ASU 2012-07, <i>Accounting for Fair Value Information That Arises After the Measurement Date and Its Inclusion in the Impairment Analysis of Unamortized Film Costs</i> — a consensus of the FASB Emerging Issues Task Force (issued October 24, 2012)	Entities that perform impairment assessments of unamortized film costs.	For SEC filers, effective for impairment assessments performed on or after December 15, 2012. For all other entities, effective for impairment assessments performed on or after December 15, 2013. The amendments resulting from this Issue should be applied prospectively. Early application is permitted, including for impairment assessments performed as of a date before October 24, 2012, if, for SEC filers, the entity's financial statements for the most recent annual or interim period have not yet been issued or, for all other entities, have not yet been made available for issuance.
ASU 2012-04, <i>Technical Corrections and Improvements</i> (issued October 1, 2012)	All entities.	Effective upon issuance, except for amendments that are subject to transition guidance, which will be effective for fiscal periods beginning after December 15, 2012, for public entities and fiscal periods beginning after December 15, 2013, for nonpublic entities.
ASU 2012-01, <i>Continuing Care Retirement Communities — Refundable Advance Fees</i> (issued July 24, 2012)	Continuing care retirement communities that have resident contracts that provide for a payment of a refundable advance fee upon reoccupancy of that unit by a subsequent resident.	<i>Public entities</i> — Effective for fiscal periods beginning after December 15, 2012. <i>Nonpublic entities</i> — Effective for fiscal periods beginning after December 15, 2013. For both public and nonpublic entities, early adoption is permitted. The amendments should be applied retrospectively by recording a cumulative-effect adjustment to opening retained earnings (or unrestricted net assets) as of the beginning of the earliest period presented.
ASU 2011-10, <i>Derecognition of in Substance Real Estate — a Scope Clarification</i> — a consensus of the FASB Emerging Issues Task Force (issued December 14, 2011)	Entities that cease to have a controlling financial interest (as described in ASC 810-10) in a subsidiary that is in-substance real estate as a result of default on the subsidiary's nonrecourse debt.	<i>Public entities</i> — Effective for fiscal years, and interim periods within those years, beginning on or after June 15, 2012. <i>Nonpublic entities</i> — Effective for fiscal years ending after December 15, 2013, and interim and annual periods thereafter. Early adoption is permitted.
ASU 2011-06, <i>Fees Paid to the Federal Government by Health Insurers</i> — a consensus of the FASB Emerging Issues Task Force (issued July 21, 2011)	Reporting entities that are subject to the fee imposed on health insurers mandated by the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act.	Effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective.

Projects in Request-for-Comment Stage

Proposed Concepts Statement, <i>Conceptual Framework for Financial Reporting — Chapter 8: Notes to Financial Statements</i> (issued March 4, 2014)	All entities.	Comments due July 14, 2014.
Proposed ASU, <i>Pushdown Accounting</i> — a consensus of the FASB Emerging Issues Task Force (issued April 28, 2014)	All entities.	Comments due July 31, 2014.

AICPA

Affects

Status

Significant Adoption Dates

SOP 13-2, <i>Performing Agreed-Upon Procedures Engagements That Address the Completeness, Mapping, Consistency, or Structure of XBRL-Formatted Information</i> (issued September 10, 2013)	Entities performing agreed-upon procedures for issuers submitting exhibits to the SEC containing XBRL files.	Effective for any XBRL agreed-upon procedures engagements accepted after September 10, 2013.
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SOP 13-1, <i>Attest Engagements on Greenhouse Gas Emissions Information</i> (issued May 2, 2013)	Auditors performing an examination or review of a greenhouse gases emissions statement containing either a schedule with the subject matter or an assertion related to information about an entity's greenhouse gas emissions.	Effective for reports on greenhouse gas emissions information issued on or after September 15, 2013. Early adoption is permitted.
SAS 128, <i>Using the Work of Internal Auditors</i> (issued February 17, 2014)	Auditors.	Effective for audits of financial statements for periods ending on or after December 15, 2014.
Projects in Request-for-Comment Stage		
Exposure Draft, <i>Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews</i> (issued May 12, 2014)	Auditors that perform engagement reviews.	Comments due July 5, 2014.
Exposure Draft, <i>Breaches of an Independence Interpretation</i> (issued June 16, 2014)	Auditors of public entities.	Comments due September 16, 2014.
SEC	Affects	Status
Significant Adoption Dates		
Final Rule, <i>Application of "Security-Based Swap Dealer" and "Major Security-Based Swap Participant" Definitions to Cross-Border Security-Based Swap Activities</i> (34-72472) (issued June 26, 2014)	SEC registrants.	Effective 60 days after the date of publication in the <i>Federal Register</i> .
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-9600) (issued June 16, 2014)	SEC registrants.	Effective June 20, 2014.
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-9554) (issued March 4, 2014)	SEC registrants.	Effective March 10, 2014.
Final Rule, <i>Registration of Municipal Advisors</i> (34-70462 and 34-71288) (issued September 20, 2013, and January 13, 2014)	Municipal advisers.	Effective July 1, 2014, except that amendatory instruction 11 removing § 249.1300T is effective January 1, 2015.
Final Rule, <i>Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds</i> (BHCA-1) (issued December 10, 2013)	Banking entities.	Effective April 1, 2014.
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-9457) (issued September 25, 2013)	SEC registrants.	Effective October 2, 2013.
Final Rule, <i>Broker-Dealer Reports</i> (34-70073) (issued July 30, 2013)	Broker-dealers.	Effective June 1, 2014, except the amendment to § 240.17a-5(e)(5), which is effective October 21, 2013, and the amendments to § 240.17a-5(a) and (d)(6) and § 249.639, which are effective December 31, 2013.
Final Rule, <i>Financial Responsibility Rules for Broker-Dealers</i> (34-70072) (issued July 30, 2013)	SEC registrants.	Effective October 21, 2013.
Final Rule, <i>Delegation of Authority to Director of Division of Enforcement</i> (34-70049) (issued July 26, 2013)	SEC registrants.	Effective August 1, 2013.
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-9433) (issued July 25, 2013)	SEC registrants.	Effective July 31, 2013.
Final Rule, <i>Rescission of Supervised Investment Bank Holding Company Rules</i> (34-69979) (issued July 12, 2013)	SEC registrants.	Effective July 18, 2013.
Final Rule, <i>Retail Foreign Exchange Transactions</i> (34-69964) (issued July 11, 2013)	SEC registrants.	Effective July 16, 2013.

Final Rule, <i>Eliminating the Prohibition Against General Solicitation and General Advertising in Rule 506 and Rule 144A Offerings</i> (33-9415) (issued July 10, 2013)	SEC registrants.	Effective September 23, 2013.
Final Rule, <i>Disqualification of Felons and Other “Bad Actors” From Rule 506 Offerings</i> (33-9414) (issued July 10, 2013)	SEC registrants.	Effective September 23, 2013.
Final Rule, <i>Identity Theft Red Flags Rules</i> (34-69359) (issued April 10, 2013)	SEC registrants.	Effective May 20, 2013; compliance date is November 20, 2013.
Final Rule, <i>Lost Securityholders and Unresponsive Payees</i> (34-68668) (issued January 16, 2013)	SEC registrants.	Effective March 25, 2013; compliance date is January 23, 2014.
Final Rule, <i>Temporary Rule Regarding Principal Trades With Certain Advisory Clients</i> (IA-3522) (issued December 21, 2012)	SEC registrants.	Effective December 28, 2012, and the expiration date for 17 CFR 275.206(3)-3T is extended to December 31, 2014.
Interim Final Temporary Rule, <i>Extension of Exemptions for Security-Based Swaps</i> (33-9545) (issued February 5, 2014)	SEC registrants.	Effective February 10, 2014. The expiration dates in interim final Rule 240 under the Securities Act, interim final Rules 12a-11 and 12h-1(i) under the Exchange Act, and interim final Rule 4d-12 under the Trust Indenture Act will be extended to February 11, 2017.
Interim Final Temporary Rule, <i>Treatment of Certain Collateralized Debt Obligations Backed Primarily by Trust Preferred Securities With Regard to Prohibitions and Restrictions on Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds</i> (BHCA-2) (issued January 17, 2014)	Banking entities.	Effective April 1, 2014.
Interim Final Temporary Rule, <i>Extension of Temporary Registration of Municipal Advisors</i> (34-70468) (issued September 23, 2013)	Municipal advisers.	Effective September 30, 2013. The expiration of the effective period of Interim Final Temporary Rule 15BA2-6T and Form MA-T is delayed from September 30, 2013, to December 31, 2014.
Project in Request-for-Comment Stage		
Regulatory Flexibility Agenda (33-9563) (issued March 21, 2014)	SEC registrants.	Comments due July 14, 2014.
PCAOB	Affects	Status
Significant Adoption Dates		
Auditing Standard No. 18, <i>Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions, and Other Amendments to PCAOB Auditing Standards</i> (issued June 10, 2014)	Auditors of public entities.	Effective, subject to SEC approval, for audits of financial statements for fiscal years beginning on or after December 15, 2014, including reviews of interim financial information within those fiscal years.
Auditing Standard 17, <i>Auditing Supplemental Information Accompanying Audited Financial Statements</i> (issued October 10, 2013, and December 19, 2013)	Auditors of public entities.	Effective for audit procedures and reports on supplemental information that accompany financial statements for fiscal years ending on or after June 1, 2014.
Attestation Standards, <i>Examination Engagements Regarding Compliance Reports of Brokers and Dealers, and Review Engagements Regarding Exemption Reports of Brokers and Dealers</i> (issued October 10, 2013)	Independent public accountants of brokers and dealers.	Effective for examination engagements and review engagements for fiscal years ending on or after June 1, 2014.
Project in Request-for-Comment Stage		
Supplemental Request for Comment, <i>Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules</i> (2014-001) (issued May 7, 2014)	Auditors of public entities.	Comments due July 8, 2014.

GASB	Affects	Status
Significant Adoption Dates		
Statement 71, <i>Pension Transition for Contributions Made Subsequent to the Measurement Date</i> (issued November 25, 2013)	Governmental entities.	Effective for fiscal years beginning after June 15, 2014.
Statement 70, <i>Accounting and Financial Reporting for Nonexchange Financial Guarantees</i> (issued April 22, 2013)	Governmental entities.	Effective for reporting periods beginning after June 15, 2013. Early application is encouraged.
Statement 69, <i>Government Combinations and Disposals of Government Operations</i> (issued January 2013)	Governmental entities.	Effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied prospectively. Early application is encouraged.
Statement 68, <i>Accounting and Financial Reporting for Pensions</i> — an amendment of GASB Statement No. 27 (issued June 2012)	Governmental entities.	Effective for financial statements for fiscal years beginning after June 15, 2014. Early application is encouraged.
Statement 67, <i>Financial Reporting for Pension Plans</i> — an amendment of GASB Statement No. 25 (issued June 2012)	Governmental entities.	Effective for financial statements for fiscal years beginning after June 15, 2013. Early application is encouraged.
Projects in Request-for-Comment Stage		
Proposed Statement, <i>Fair Value Measurement and Application</i> (issued May 5, 2014)	Governmental entities.	Comments due August 15, 2014.
Proposed Statement, <i>Accounting and Financial Reporting for Pensions and Financial Reporting for Pension Plans That Are Not Administered Through Trusts That Meet Specified Criteria, and Amendments to Certain Provisions of GASB Statements 67 and 68</i> (issued May 28, 2014)	Governmental entities.	Comments due August 29, 2014.
Proposed Statement, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> (issued May 28, 2014)	Governmental entities.	Comments due August 29, 2014.
Proposed Statement, <i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i> (issued May 28, 2014)	Governmental entities.	Comments due August 29, 2014.
Proposed Statement, <i>The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments</i> (issued February 27, 2014)	Governmental entities.	Comments due December 31, 2014.
Proposed Implementation Guide No. 20XX-1 (issued February 27, 2014)	Governmental entities.	Comments due December 31, 2014.
FASAB		
Significant Adoption Dates		
Technical Release 15, <i>Implementation Guidance for General Property, Plant, and Equipment Cost Accumulation, Assignment, and Allocation</i> (issued September 26, 2013)	U.S. federal government entities.	Effective upon issuance.
Statement 45, <i>Deferral of the Transition to Basic Information for Long-Term Projections</i> (issued July 8, 2013)	U.S. federal government entities.	Effective upon issuance.
Statement 44, <i>Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</i> (issued January 3, 2013)	U.S. federal government entities.	Effective for periods beginning after September 30, 2014. Early application is encouraged.

Statement 42, <i>Deferred Maintenance and Repairs — Amending Statements of Federal Financial Accounting Standards 6, 14, 19, and 32</i> (issued April 25, 2012)	U.S. federal government entities.	Effective for periods beginning after September 30, 2014. Early application is encouraged.
Statement 36, <i>Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government</i> (issued September 28, 2009)	U.S. federal government entities.	This Statement provides for a phased-in implementation, but early implementation is encouraged. All information will be reported as required supplementary information for the first four years of implementation (fiscal years 2010, 2011, 2012, and 2013). Beginning in fiscal year 2014, the required information will be presented as a basic financial statement, disclosures, and required supplementary information as designated within the standard.
Technical Bulletin 2011-1, <i>Accounting for Federal Natural Resources Other Than Oil and Gas</i> (issued July 6, 2011)	U.S. federal government entities.	Effective for periods beginning after September 30, 2013. Early application is encouraged.
IASB/IFRIC	Affects	Status
Significant Adoption Dates		
<i>Agriculture: Bearer Plants</i> — amendments to IAS 16 and IAS 41 (issued June 30, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IFRS 15, <i>Revenue From Contracts With Customers</i> (issued May 28, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted.
<i>Clarification of Acceptable Methods of Depreciation and Amortisation — Amendments to IAS 16 and IAS 38</i> (issued May 12, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
<i>Accounting for Acquisitions of Interests in Joint Operations — Amendments to IFRS 11</i> (issued May 6, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IFRS 14, <i>Regulatory Deferral Accounts</i> (issued January 30, 2014)	Entities reporting under IFRSs.	Effective January 1, 2016. Earlier application is permitted.
<i>Annual Improvements to IFRSs: 2011–2013 Cycle</i> (issued December 12, 2013)	Entities reporting under IFRSs.	Varies for each IFRS being affected.
<i>Annual Improvements to IFRSs: 2010–2012 Cycle</i> (issued December 12, 2013)	Entities reporting under IFRSs.	Varies for each IFRS being affected.
<i>Defined Benefit Plans: Employee Contributions</i> — amendments to IAS 19 (issued November 21, 2013)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after July 1, 2014. Earlier application is permitted.
<i>IFRS 9, Financial Instruments (Hedge Accounting and Amendments to IFRS 9, IFRS 7 and IAS 39)</i> (issued November 19, 2013)	Entities reporting under IFRSs.	No mandatory effective date. An entity may adopt the standard immediately.
<i>Novation of Derivatives and Continuation of Hedge Accounting</i> — amendments to IAS 39 (issued June 27, 2013)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted.
<i>Recoverable Amount Disclosures for Non-Financial Assets</i> — amendments to IAS 36 (issued May 29, 2013)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted.
IFRIC Interpretation 21, <i>Levies</i> (issued May 20, 2013)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted.

<i>Investment Entities</i> — amendments to IFRS 10, IFRS 12 and IAS 27 (issued October 31, 2012)	Entities reporting under IFRSs.	Effective for reporting periods beginning on or after January 1, 2014. Early application is permitted.
<i>Offsetting Financial Assets and Financial Liabilities</i> — amendments to IAS 32 (issued December 16, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2014. An entity must apply the amendments retrospectively. Early application is permitted.
IFRS 9, <i>Financial Instruments</i> (issued October 28, 2010)	Entities reporting under IFRSs.	No mandatory effective date. An entity may adopt the standard immediately.
IFRS 9, <i>Financial Instruments</i> (issued November 9, 2009)	Entities reporting under IFRSs.	No mandatory effective date. An entity may adopt the standard immediately.
Projects in Request-for-Comment Stage		
IASB Exposure Draft ED/2014/1, <i>Disclosure Initiative</i> — proposed amendments to IAS 1 (issued March 24, 2014)	Entities reporting under IFRSs.	Comments due July 23, 2014.
IASB Exposure Draft ED/2014/2, <i>Investment Entities: Applying the Consolidation Exception — Proposed Amendments to IFRS 10 and IAS 28</i> (issued June 11, 2014)	Entities reporting under IFRSs.	Comments due September 15, 2014.
IASB Discussion Paper DP/2014/1, <i>Accounting for Dynamic Risk Management: A Portfolio Revaluation Approach to Macro Hedging</i> (issued April 17, 2014)	Entities reporting under IFRSs.	Comments due October 17, 2014.

Appendix C: Glossary of Standards and Other Literature

- FASB Accounting Standards Update No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period* — a consensus of the FASB Emerging Issues Task Force
- FASB Accounting Standards Update No. 2014-11, *Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures*
- FASB Accounting Standards Update No. 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation*
- FASB Accounting Standards Update No. 2014-09, *Revenue From Contracts With Customers*
- FASB Accounting Standards Update No. 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*
- FASB Accounting Standards Update No. 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements* — a consensus of the Private Company Council
- FASB Accounting Standards Update No. 2014-04, *Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure* — a consensus of the FASB Emerging Issues Task Force
- FASB Proposed Accounting Standards Update, *Pushdown Accounting* — a consensus of the FASB Emerging Issues Task Force
- FASB Accounting Standards Codification Topic 915, *Development Stage Entities*
- FASB Accounting Standards Codification Topic 860, *Transfers and Servicing*
- FASB Accounting Standards Codification Topic 820, *Fair Value Measurement*
- FASB Accounting Standards Codification Topic 810, *Consolidation*
- FASB Accounting Standards Codification Topic 805, *Business Combinations*
- FASB Accounting Standards Codification Topic 275, *Risks and Uncertainties*
- FASB Accounting Standards Codification Topic 250, *Accounting Changes and Error Corrections*
- FASB Accounting Standards Codification Subtopic 360-20, *Property, Plant, and Equipment: Real Estate Sales*
- FASB Accounting Standards Codification Subtopic 205-20, *Presentation of Financial Statements: Discontinued Operations*
- FASB U.S. GAAP Financial Reporting Taxonomy Implementation Guide, *Notional Amount Disclosures*
- FASB U.S. GAAP Financial Reporting Taxonomy Implementation Guide, *Segment Reporting*
- FASB U.S. GAAP Financial Reporting Taxonomy Implementation Guide, *Liquidation Basis of Accounting*
- FASB U.S. GAAP Financial Reporting Taxonomy Implementation Guide, *Subsequent Events*
- EITF Issue No. 13-G, “Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity”
- EITF Issue No. 13-F, “Classification of Certain Government-Guaranteed Residential Mortgage Loans Upon Foreclosure”
- EITF Issue No. 13-D, “Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period”
- EITF Issue No. 12-G, “Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity”
- EITF Issue No. 12-F, “Recognition of New Accounting Basis (Pushdown) in Certain Circumstances”
- AICPA *Professional Standards*, AU-C Section 200, “Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With Generally Accepted Auditing Standards”
- AICPA *Professional Standards*, ET Section 91, “Applicability”
- AICPA Technical Practice Aids, TIS Section 9150.34, “Modification to the Accountant’s Compilation or Review Report When a Client Adopts a Private Company Council Accounting Alternative That Results in a Change to a Previously Issued Report”
- AICPA Technical Practice Aids, TIS Section 9150.30, “Modification to the Auditor’s Report When a Client Adopts a PCC Accounting Alternative That Results in a Change to a Previously Issued Report”
- AICPA Interpretation 101-20, “Breach of an Independence Interpretation,” of Rule 101, *Independence*

AICPA Auditing Interpretation No. 2, "Auditor of Participating Employer in a Governmental Cost-Sharing Multiple-Employer Plan," of AU-C Section 500, "Audit Evidence"

AICPA Auditing Interpretation No. 1, "Auditor of Participating Employer in a Governmental Pension Plan," of AU-C Section 600, "Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors)"

AICPA Auditing Interpretation No. 1, "Auditor of Governmental Cost-Sharing Multiple-Employer Plan," of AU-C Section 805, "Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement"

AICPA Exposure Draft, *Breach of an Independence Interpretation*

AICPA Exposure Draft, *Proposed Changes to the AICPA Standards for Performing and Reporting on Peer Reviews*

AICPA and CAQ Member Alert, *Updates to SEC and CFTC Regulations and Related Audit and Attestation Reports of Brokers and Dealers and Futures Commission Merchants, Including Those That Are Dually-Registered*

CAQ Paper, *CAQ Approach to Audit Quality Indicators*

SEC Regulation S-X, Rule 4-08(g), "Summarized Financial Information of Subsidiaries Not Consolidated and 50 Percent or Less Owned Persons"

SEC Final Rule Release No. 34-72472, *Application of "Security-Based Swap Dealer" and "Major Security-Based Swap Participant" Definitions to Cross-Border Security-Based Swap Activities*

SEC Final Rule Release No. 34-70072, *Financial Responsibility Rules for Broker-Dealers*

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

SEC Final Rule Release No. 34-63241, *Risk Management Controls for Brokers or Dealers With Market Access*

SEC Final Rule Release No. 33-9600, *Adoption of Updated EDGAR Filer Manual*

SEC Proposed Rule Release No. 34-71958, *Recordkeeping and Reporting Requirements for Security-Based Swap Dealers, Major Security-Based Swap Participants, and Broker-Dealers; Capital Rule for Certain Security-Based Swap Dealers*

SEC Proposed Rule Release No. 33-9126, *Investment Company Advertising: Target Date Retirement Fund Names and Marketing*

PCAOB Release No. 2014-002, *Auditing Standard No. 18 — Related Parties, Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions, and Other Amendments to PCAOB Auditing Standards*

PCAOB Release No. 2014-001, *Supplemental Request for Comment: Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*

PCAOB Release No. 2013-008, *Auditing Standard No. 17 — Auditing Supplemental Information Accompanying Audited Financial Statements and Related Amendments to PCAOB Standards*

PCAOB Release No. 2013-004, *Proposed Auditing Standard — Related Parties, Proposed Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions, and Other Proposed Amendments to PCAOB Auditing Standards*

PCAOB Release No. 2013-002, *Proposed Framework for Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules*

PCAOB AU Section 9334, "Auditing Interpretations of Section 334"

PCAOB AU Section 334, "Related Parties"

PCAOB Attestation Standard No. 2, *Review Engagements Regarding Exemption Reports of Brokers and Dealers*

PCAOB Attestation Standard No. 1, *Examination Engagements Regarding Compliance Reports of Brokers and Dealers*

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

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

GASB Concepts Statement No. 6, *Measurement of Elements of Financial Statements*

GASB Exposure Draft, *Fair Value Measurement and Application*

GASB Exposure Draft, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

GASB Exposure Draft, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

GASB Exposure Draft, *Accounting and Financial Reporting for Pensions and Financial Reporting for Pension Plans That Are Not Administered Through Trusts That Meet Specified Criteria, and Amendments to Certain Provisions of GASB Statements 67 and 68*

FASAB Exposure Draft, *Deferral of the Transition to Basic Information for Long-Term Projections*
IFRS 15, *Revenue From Contracts With Customers*
IFRS 11, *Joint Arrangements*
IFRS 10, *Consolidated Financial Statements*
IAS 41, *Agriculture*
IAS 38, *Intangible Assets*
IAS 28, *Investments in Associates and Joint Ventures*
IAS 16, *Property, Plant and Equipment*
IASB Amendments, *Agriculture: Bearer Plants* — amendments to IAS 16 and IAS 41
IASB Amendments, *Clarification of Acceptable Methods of Depreciation and Amortisation*
IASB Amendments, *Accounting for Acquisitions of Interests in Joint Operations*
IASB Exposure Draft, *Investment Entities: Applying the Consolidation Exception* — proposed amendments to IFRS 10 and IAS 28
IASB Discussion Paper, *Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging*
IASB Discussion Paper, *A Review of the Conceptual Framework for Financial Reporting*
IESBA Exposure Draft, *Proposed Changes to Certain Provisions of the Code Addressing Non-Assurance Services for Audit Clients*
Proposed ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*
IAASB Exposure Draft, *Addressing Disclosures in the Audit of Financial Statements*
IIA Practice Guide, *Auditing Anti-bribery and Anti-corruption Programs*
Basel Committee Final Standard, *Capital Requirements for Bank Exposures to Central Counterparties*
Basel Committee Final Standard, *Supervisory Framework for Measuring and Controlling Large Exposures*
Basel Committee Consultative Document, *Review of the Pillar 3 Disclosure Requirements*

Appendix D: Abbreviations

ABS	asset-backed security	IAASB	International Auditing and Assurance Standards Board
AICPA	American Institute of Certified Public Accountants	IAS	International Accounting Standard
AQI	audit quality indicator	IASB	International Accounting Standards Board
ASC	FASB Accounting Standards Codification	ICFR	Internal Controls Over Financial Reporting
ASU	FASB Accounting Standards Update	IESBA	International Ethics Standards Board for Accountants
AU-C	U.S. Clarified Auditing Standards	IFAC	International Federation of Accountants
BIS	Bank for International Settlements	IFASS	International Forum of Accounting Standard Setters
C&DIs	compliance and disclosure interpretations	IFIAR	International Forum of Independent Audit Regulators
CAQ	Center for Audit Quality	IFRIC	International Financial Reporting Interpretations Committee
CCP	central counterparty	IFRS	International Financial Reporting Standard
CDS	credit default swap	IIA	Institute of Internal Auditors
CFE	collateralized financing entity	IIRC	International Integrated Reporting Council
CFO	chief financial officer	IR	integrated reporting
CFTC	Commodity Futures Trading Commission	ISA	International Standard on Auditing
CIPFA	Chartered Institute of Public Finance and Accountancy	IT	information technology
CPE	continuing professional education	JOBS	Jumpstart Our Business Startups
DRC	Democratic Republic of the Congo	PCAOB	Public Company Accounting Oversight Board
DSE	development-stage entity	PCC	Private Company Council
ED	exposure draft	PEEC	Professional Ethics Executive Committee
EDGAR	Electronic Data Gathering, Analysis, and Retrieval	RSI	required supplementary information
EDT	Eastern Daylight Time	SAS	Statement on Auditing Standards
EITF	Emerging Issues Task Force	SASB	Sustainability Accounting Standards Board
EU	European Union	SEC	Securities and Exchange Commission
FAF	Financial Accounting Foundation	SOP	Statement of Position
FAQ	frequently asked question	TIS	Technical Inquiry Service
FASAB	Federal Accounting Standards Advisory Board	TPA	Technical Practice Aid
FASB	Financial Accounting Standards Board	TRG	transition resource group
GAAP	generally accepted accounting principles	XBRL	eXtensible Business Reporting Language
GASAC	Governmental Accounting Standards Advisory Council		
GASB	Governmental Accounting Standards Board		

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