Second Quarter in Review — 2016

In This Issue

Accounting Roundup

by Magnus Orrell, Jonathan Margate, and Joseph Renouf, Deloitte & Touche LLP

Welcome to the quarterly edition of *Accounting Roundup*. In the second quarter of 2016, the FASB continued to amend certain aspects of its new revenue standard, ASU 2014-09, issuing (1) an ASU clarifying the guidance on licensing and identifying performance obligations, (2) an ASU making narrow-scope revisions and providing practical expedients, and (3) a proposed ASU suggesting certain technical corrections (i.e., minor changes and improvements). In addition, the Board held the first FASB-only meeting of the TRG for revenue recognition, which the FASB and IASB had jointly created to address potential issues related to the implementation of the revenue standard. Although the IASB also published a set of amendments to its counterpart revenue standard, IFRS 15, it had previously announced that it has completed its decision-making process related to clarifying the new revenue standard and that it no longer plans to schedule TRG meetings for IFRS constituents.

The FASB also issued a final standard on credit losses — which adds to U.S. GAAP an impairment model (known as the current expected credit loss (CECL) model) that is based on expected losses rather than incurred losses — as well as proposals related to common control, goodwill accounting, nonfinancial assets, and restricted cash. Meanwhile, the IASB (1) proposed revisions to the definition of a business and the accounting for previously held interests and (2) published amendments clarifying the requirements related to the classification and measurement of share-based payment transactions.

In other international news, the United Kingdom's vote to depart from the EU in a June 23 referendum (the "Brexit" vote), and the related financial reporting considerations, have recently grabbed headlines. The impact of this development on entities will vary significantly by industry sector and by other entity-specific factors. However, given the vote's shock to global financial markets and their immediate reaction to it, all entities should consider how they are affected and what they may need to communicate to the market.

Another hot topic this quarter has been non-GAAP financial measures. Recently, press coverage and SEC scrutiny of such measures have exploded. For example, in a recent speech, SEC Chief Accountant James Schnurr noted that the "SEC staff has observed a significant and, in some respects, troubling increase . . . in the use of, and nature of adjustments within, non-GAAP measures" as well as their prominence. He further noted that non-GAAP measures are intended to "supplement . . . not supplant" the information in the financial statements. As a result of such concerns, the Commission has recently updated its C&DIs on non-GAAP measures. In addition, the CAQ has issued a publication exploring the ramifications of the increased focus on non-GAAP measures for audit committees, and IOSCO has released a report highlighting its expectations regarding disclosure of such measures.

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. Events without asterisks were covered in those monthly issues.

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 — 2016*. Take a moment to tell us what you think by sending us an e-mail at accountingstandards@deloitte.com.

Leadership Changes

GASB: On May 18, 2016, the FAF board of trustees announced that Jeffrey J. Previdi has been appointed to the GASB for a five-year term that began on July 1, 2016, and is renewable for an additional five years.

IFRS Foundation: On May 12, 2016, the IFRS Foundation announced that Maria Helena Santana and Lynn Wood have been reappointed as trustees to serve a second three-year term that will begin on January 1, 2017.

IFRS Interpretations Committee: On May 23, 2016, the IFRS Foundation trustees announced that Yang Zheng and Bertrand Perrin have been appointed to the IFRS Interpretations Committee for three-year terms that began on July 1, 2016.

For the latest news and publications, visit Deloitte's US GAAP Plus Web site or subscribe to *Weekly Roundup*, a digest of news, developments, and Deloitte publications related to U.S. and international accounting topics. Also see our Twitter feed for up-to-date information on the latest news, research, events, and more.

Dbriefs for Financial Executives

We invite you to participate in *Dbriefs*, Deloitte's webcast series that provides valuable insights on important developments affecting your business. Gain access to innovative ideas and critical information during these webcasts.

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

For more information, please see our complete *Dbriefs* program guide or click a link below for more information about any of these upcoming *Dbriefs* webcasts (all webcasts begin at 2:00 p.m. (EDT) unless otherwise noted):

- Friday, July 8, 11:00 a.m. (EDT): Brexit: What Now for Financial Services?
- Tuesday, July 19: Product Quality and Safety Management: An End-to-End, Data-Driven Approach.
- Monday, July 25: FASB's New Credit Impairment Model: At a Loss for What to Do?
- Wednesday, July 27, 3:00 p.m. (EDT): What Financial, Economic, and Political Issues Are Keeping CFOs Up at Night?
- Thursday, July 28: 2016 Proxy Season Highlights and Other Corporate Governance Developments.
- Wednesday, August 24, 3:00 p.m. (EDT): Procurement's Evolving Role: Questions CFOs Should Be Asking.
- Thursday, August 25: Cyber Risk Management: Why Threat Intelligence Requires Business Intelligence.
- Wednesday, August 31: Driving Down Risk: Illuminating the Blind Spots in Your Business Relationships.
- Monday, September 19: Quarterly Accounting Roundup: An Update on Important Developments.
- Wednesday, September 21, 3:00 p.m. (EDT): What CFOs Need to Know About Blockchain: A New Source of Enterprise Value?
- Wednesday, September 28: Cyberattackers and Your Intellectual Property: Valuing and Guarding Prized Business Assets.
- Thursday, September 29: Advancing Board Effectiveness With a New Strategic Framework.
- Friday, September 30, 11:00 a.m. (EDT): EITF Roundup: Highlights From the September Meeting.

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

Selected Deloitte Publications

Publication	Title	Affects
A Roadmap to Pushdown Accounting (June 2016)	N/A	All entities.
June 2016 *EITF Snapshot*	N/A	All entities.
June 2016 *Power & Utilities Spotlight*	*Risk at the Core of Strategic Value Creation*	Power and utilities entities.
June 24, 2016, *Financial Reporting Alert*	*Financial Reporting Considerations Related to the UK's Vote to Leave the EU*	All entities.

June 20, 2016, *Heads Up*	*Frequently Asked Questions About ASU 2016-09*	All entities.
June 17, 2016, *Heads Up*	*FASB Issues Final Standard on Accounting for Credit Losses*	All entities.
June 14, 2016, *Heads Up*	*FASB Proposes Clarifications to Guidance on Derecognition and Partial Sales of Nonfinancial Assets*	All entities.
May 24, 2016, *Heads Up*	*FASB Proposes Amendments to Simplify the Accounting for Goodwill Impairment*	All entities.
May 23, 2016, *Heads Up*	*SEC Urges Companies to Take a Fresh Look at Their Non-GAAP Measures*	SEC registrants.
May 11, 2016, *Heads Up*	*FASB Makes Narrow-Scope Amendments to Revenue Standard and Provides Practical Expedients*	All entities.
April 21, 2016, *Heads Up*	*FASB Simplifies the Accounting for Share-Based Payments*	All entities.
April 18, 2016, *Heads Up*	*SEC Concept Release Seeks Comments on Regulation S-K*	SEC registrants.
April 15, 2016, *Heads Up*	*FASB Clarifies Guidance on Licensing and Identifying Performance Obligations*	All entities.
April 2016 *TRG Snapshot*	*Meeting on Revenue: April 2016*	All entities.
April 2016 *TRG Snapshot*	*Meeting on Credit Losses: April 2016*	All entities.

Accounting — New Standards and Exposure Drafts

In This Section

Consolidation

FASB Proposes to Amend Consolidation Guidance on Interests Held Through Related Parties Under Common Control*

Affects: All entities.

Summary: On June 23, 2016, the FASB issued a proposed ASU that would amend the consolidation requirements related to a reporting entity's evaluation of interests held through related parties that are under common control. In performing the primary-beneficiary test under the proposed ASU, a single decision maker would consider indirect interests held by its related parties under common control on a proportionate basis in a manner consistent with its evaluation of indirect interests held through its other related parties. That is, the common-control relationship would no longer affect the evaluation of indirect interests in the economics-criterion assessment. The proposal would not change the need for a single decision maker that has determined that it individually does not meet the primary-beneficiary conditions to then evaluate whether the related-party group meets these conditions and, if so, to determine whether the single decision maker is the party most closely associated with the VIE in the related-party group.

Next Steps: Comments on the proposed ASU are due by July 25, 2016.

Other Resources: Deloitte's June 27, 2016, journal entry.

Credit Losses

FASB Issues Final Standard on Accounting for Credit Losses*

Affects: All entities.

Summary: On June 16, 2016, the FASB issued ASU 2016-13, which amends the Board's guidance on the impairment of financial instruments. The ASU adds to U.S. GAAP an impairment model (known as the current expected credit loss (CECL) model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the FASB believes will result in more timely recognition of such losses. The ASU is also intended to reduce the complexity of U.S. GAAP by decreasing the number of credit impairment models that entities use to account for debt instruments.

Editor's Note

On June 17, 2016, the Federal Reserve, FDIC, NCUA, and OCC released a joint statement on ASU 2016-13. The joint statement summarizes key elements of the new standard and provides the agencies' initial views on its implementation.

The CECL model applies to most debt instruments (other than those measured at fair value), trade receivables, lease receivables, reinsurance receivables that result from insurance transactions, financial guarantee contracts, and loan commitments. However, available-for-sale (AFS) debt securities are outside the model's scope and will continue to be assessed for impairment under the guidance in ASC 320 (the FASB moved the impairment model for AFS debt securities from ASC 320 to ASC 326-30 and made limited amendments to the impairment model for AFS debt securities).

Editor's Note

Because the CECL model does not have a minimum threshold for recognition of impairment losses, entities will need to measure expected credit losses on assets that have a low risk of loss (e.g., investment-grade held-to-maturity debt securities). However, the ASU states that "an entity is not required to measure expected credit losses on a financial asset . . . in which historical credit loss information adjusted for current conditions and reasonable and supportable forecasts results in an expectation that nonpayment of the [financial asset's] amortized cost basis is zero." U.S. Treasury securities and certain highly rated debt securities may be assets the FASB contemplated when it decided to allow an entity to recognize zero credit losses on an asset, but the ASU does not indicate this. Nevertheless, there are likely to be challenges associated with measuring expected credit losses on financial assets whose risk of loss is low.

Once effective, the new guidance will significantly change the accounting for credit impairment. Banks and other financial institutions will need to modify their current processes for establishing an allowance for loan and lease losses and other-than-temporary impairments to ensure that they comply with the ASU's new requirements. To do so, they will need to make changes to their operations and systems associated with credit modeling, regulatory compliance, and technology.

Editor's Note

In late 2015, the FASB established a transition resource group (TRG) for credit losses. Like the TRG for the new revenue recognition standard, the credit losses TRG does not issue guidance but provides feedback to the FASB on potential implementation issues. By analyzing and discussing such issues, the TRG helps the Board determine whether it needs to take further action (e.g., by clarifying or issuing additional guidance). The credit losses TRG's first public meeting was held on April 1, 2016. For more information about that meeting and the credit losses TRG, see Deloitte's April 2016 *TRG Snapshot*.

Next Steps: For public business entities that meet the U.S. GAAP definition of an SEC filer, the ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For public business entities that do not meet the U.S. GAAP definition of an SEC filer, the ASU is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years beginning after December 15, 2021.

In addition, entities are permitted to early adopt the new guidance for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

Other Resources: Deloitte's June 17, 2016, *Heads Up*. Also see the press release, *FASB in Focus* newsletter, and cost-benefit analysis on the FASB's Web site.

Goodwill Accounting

FASB Proposes to Simplify Goodwill Accounting

Affects: All entities.

Summary: On May 12, 2016, the FASB issued a proposed ASU that would simplify the accounting for goodwill by removing step 2 of the current goodwill impairment test — that is, the requirement to measure the amount of any impairment loss generally as the excess of a reporting unit's carrying amount over its implied fair value, determined by using "the procedure that would be required in a purchase price allocation for an acquired business." Instead, an entity would identify both the existence and amount of impairment loss by comparing the fair value of a reporting unit with its carrying amount. The Board is also proposing to remove the special accounting requirements for any reporting unit with a zero or negative carrying amount. All reporting units, even those with a zero or negative carrying amount, would perform the same impairment test. However, entities would be required to disclose any reporting units with a zero or negative carrying amount and the respective amounts of goodwill allocated to those reporting units.

Editor's Note

The proposed ASU's Basis for Conclusions notes that during deliberations of the proposed guidance, one FASB board member supported the introduction of an optional step 2 assessment because an entity may fail to meet the step 1 requirements but satisfy those in step 2 under the current guidance. Under the proposed ASU as drafted, an entity would no longer determine goodwill impairment on the basis of the fair value of all identifiable assets and liabilities. Instead, the entity would compare the fair value of a reporting unit with its carrying amount. The goodwill impairment test under the proposal would therefore not be as precise as that under current guidance. Accordingly, under the proposed guidance, an entity could record a goodwill impairment even though a decline in the fair value of amortizing intangible assets and other long-lived assets caused a decline in the fair value of the reporting unit but not a decline in the fair value of goodwill.

Next Steps: Comments on the proposed ASU are due by July 11, 2016.

Other Resources: Deloitte's May 24, 2016, *Heads Up*.

Nonfinancial Assets

FASB Proposes Clarifications to Guidance on Derecognition and Partial Sales of Nonfinancial Assets*

Affects: All entities.

Summary: On June 6, 2016, the FASB issued a proposed ASU that would clarify the scope of the Board's recently established guidance on nonfinancial asset derecognition (ASC 610-20) as well as the accounting for partial sales of nonfinancial assets. The proposed ASU would conform the derecognition guidance on nonfinancial assets with the model for revenue transactions in ASC 606.

The guidance is being proposed in response to stakeholder feedback indicating that (1) the meaning of the term "in-substance nonfinancial asset" is unclear because the Board's new revenue standard does not define it and (2) the scope of the guidance on nonfinancial assets is complex and does not specify how a partial sales transaction should be accounted for or which model entities should apply.

Editor's Note

The clarification that a business activity would not be considered an in-substance nonfinancial asset is based on a proposed ASU issued in November 2015 that would clarify and narrow the definition of a business and most likely reduce the number of real estate transactions that would be considered businesses. The comment period on that proposal ended in January 2016, and on the basis of feedback, the FASB may need to reconsider whether ASC 610-20 should be applied to certain types of businesses. Question 3 of the proposed ASU's questions for respondents asks for feedback from stakeholders on the appropriateness or operability of clarifying the definition of a business in accordance with the proposed amendments to ASC 610-20.

Next Steps: Comments on the June 6 proposed ASU are due by August 5, 2016.

Other Resources: Deloitte's June 14, 2016, *Heads Up*.

Rescission of SEC Guidance

FASB Issues ASU Rescinding Certain SEC Guidance

Affects: SEC registrants.

Summary: On May 3, 2016, the FASB issued ASU 2016-11, which rescinds certain SEC guidance from the *FASB Accounting Standards Codification* in response to announcements made by the SEC staff at the EITF's March 3, 2016, meeting. Specifically, the ASU supersedes SEC observer comments on the following topics:

- Upon the adoption of ASU 2014-09:
    - Revenue and expense recognition for freight services in process (ASC 605-20-S99-2).
    - Accounting for shipping and handling fees and costs (ASC 605-45-S99-1).
    - Accounting for consideration given by a vendor to a customer (ASC 605-50-S99-1).
    - Accounting for gas-balancing arrangements (ASC 932-10-S99-5).
- Upon the adoption of ASU 2014-16:
    - Determining the nature of a host contract related to a hybrid financial instrument issued in the form of a share under ASC 815 (ASC 815-10-S99-3).

Revenue Recognition

FASB Proposes Technical Corrections and Improvements to New Revenue Standard

Affects: All entities.

Summary: On May 18, 2016, the FASB issued a proposed ASU that would make technical corrections (i.e., minor changes and improvements) to certain aspects of the Board's May 2014 revenue standard, ASU 2014-09. The amendments are being proposed in response to feedback received from several sources, including the FASB-IASB joint TRG for revenue recognition, and would clarify, rather than change, the new revenue standard's core revenue recognition principles.

Editor's Note

Instead of addressing these changes as part of its technical corrections and improvements project, the FASB issued the proposed ASU separately "to increase stakeholders' awareness of the proposals and to expedite improvements to [ASU] 2014-09."

The proposed technical corrections would affect the following topics:

- Preproduction costs related to long-term supply arrangements.
- Contract costs — impairment testing.
- Contract costs — interaction of impairment testing with guidance in other topics.
- Provisions for losses on construction-type and production-type contracts.
- Scope of the new revenue standard.
- Disclosure of remaining performance obligations.
- A contract modification example.
- Fixed-odds wagering contracts in the casino industry.
- Cost capitalization for advisers to private and public funds.

Comments on the proposed ASU were due by July 2, 2016.

Other Resources: Deloitte's May 19, 2016, journal entry.

FASB Makes Narrow-Scope Amendments to New Revenue Standard and Provides Practical Expedients

Affects: All entities.

Summary: On May 9, 2016, the FASB issued ASU 2016-12, which amends certain aspects of the Board's new revenue standard, ASU 2014-09. The amendments, which were issued in response to feedback received by the FASB-IASB joint revenue recognition TRG, include the following:

- *Collectibility* — ASU 2016-12 clarifies the objective of the entity's collectibility assessment and contains new guidance on when an entity would recognize as revenue consideration it receives if the entity concludes that collectibility is not probable.
- *Presentation of sales tax and other similar taxes collected from customers* — Entities are permitted to present revenue net of sales taxes collected on behalf of governmental authorities (i.e., to exclude from the transaction price sales taxes that meet certain criteria).
- *Noncash consideration* — An entity's calculation of the transaction price for contracts containing noncash consideration would include the fair value of the noncash consideration to be received as of the contract inception date. Further, subsequent changes in the fair value of noncash consideration after contract inception would be subject to the variable consideration constraint only if the fair value varies for reasons other than its form.
- *Contract modifications and completed contracts at transition* — The ASU establishes a practical expedient for contract modifications at transition and defines completed

contracts as those for which all (or substantially all) revenue was recognized under the applicable revenue guidance before the new revenue standard was initially applied.

- *Transition technical correction* — Entities that elect to use the full retrospective transition method to adopt the new revenue standard would no longer be required to disclose the effect of the change in accounting principle on the period of adoption (as is currently required by ASC 250-10-50-1(b)(2)); however, entities would still be required to disclose the effects on preadoption periods that were retrospectively adjusted.

Editor's Note

The ASU notes that in light of the following, there may be "minor differences in financial reporting outcomes between [U.S.] GAAP and IFRS" as a result of the ASU's amendments:

- The IASB's counterpart revenue standard, IFRS 15, does not allow a policy election for the presentation of sales taxes on a net basis.
- IFRS 15 does not prescribe the measurement date for noncash consideration.
- Different dates are associated with an entity's application of (1) the practical expedient for contract modifications and (2) the term "completed contracts" for transition purposes.

Next Steps: The ASU's effective date and transition provisions are aligned with the requirements in ASU 2014-09, which is not yet effective. For more information about these requirements, see Deloitte's May 28, 2014, *Heads Up*.

Other Resources: Deloitte's May 11, 2016, *Heads Up*.

FASB Clarifies Guidance on Licensing and Identifying Performance Obligations

Affects: All entities.

Summary: On April 14, 2016, the FASB issued ASU 2016-10, which amends certain aspects of the guidance in ASU 2014-09 (the Board's new revenue standard) on (1) identifying performance obligations and (2) licensing. The amendments include the following:

- Identifying performance obligations:
  - *Immaterial promised goods or services* — Entities may disregard goods or services promised to a customer that are immaterial in the context of the contract.
  - *Shipping and handling activities* — Entities can elect to account for shipping or handling activities occurring after control has passed to the customer as a fulfillment cost rather than as a revenue element (i.e., a promised service in the contract).
  - *Identifying when promises represent performance obligations* — The new guidance refines the separation criteria for assessing whether promised goods and services are distinct, specifically the "separately identifiable" principle (the "distinct within the context of the contract" criterion) and supporting factors.
- Licensing implementation guidance:
  - *Determining the nature of an entity's promise in granting a license* — Intellectual property (IP) is classified as either functional or symbolic, and such classification should generally dictate whether, for a license granted to that IP, revenue must be recognized at a point in time or over time, respectively.

- *Sales-based and usage-based royalties* — The sales-based and usage-based royalty exception applies whenever the royalty is predominantly related to a license of IP. The ASU therefore indicates that an "entity should not split a sales-based or usage-based royalty into a portion subject to the recognition guidance on sales-based and usage-based royalties and a portion that is not subject to that guidance."
- *Restrictions of time, geographical location, and use* — The ASU's examples illustrate the distinction between restrictions that represent attributes of a license and provisions that specify that additional licenses have been provided.
- *Renewals of licenses that provide a right to use IP* — Revenue should not be recognized for renewals or extensions of licenses to use IP until the renewal period begins.

The amendments reflect feedback received by the FASB-IASB joint revenue recognition TRG, which was formed to address potential issues associated with the implementation of the new revenue standard, as well as comments received from stakeholders on the FASB's proposed guidance.

Editor's Note

The IASB has also issued clarifications to its counterpart revenue standard, IFRS 15, that address (1) identifying performance obligations, (2) principal-versus-agent considerations, and (3) licensing. For more information, see "IASB Publishes Clarifications to IFRS 15" below.

Next Steps: The ASU's effective date and transition provisions are aligned with the requirements in ASU 2014-09, which is not yet effective. For more information about these requirements, see Deloitte's May 28, 2014, *Heads Up*.

Other Resources: Deloitte's April 15, 2016, *Heads Up*.

Statement of Cash Flows

FASB Proposes Guidance on Restricted Cash

Affects: All entities.

Summary: On April 28, 2016, the FASB issued a proposed ASU on restricted cash in response to an EITF consensus-for-exposure. The proposed ASU would require an entity to include in its cash and cash-equivalent balances in the statement of cash flows those amounts that are deemed to be restricted cash and restricted cash equivalents. The proposal's primary purpose is to eliminate the diversity in practice related to how entities classify and present changes in restricted cash in the cash flow statement in accordance with ASC 230.

Comments on the proposed ASU were due by June 27, 2016.

Other Resources: Deloitte's March 2016 *EITF Snapshot*.

Technical Corrections

FASB Proposes Technical Corrections and Improvements to the Codification

Affects: All entities.

Summary: On April 21, 2016, the FASB issued a proposed ASU that would make certain technical corrections (i.e., minor changes, simplifications, and other enhancements) to the *FASB Accounting Standards Codification*. The technical corrections are divided into four main categories:

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

Accounting topics that would be affected by the proposed amendments include insurance, troubled debt restructurings, fair value measurement, and transfers and servicing.

Comments on the proposed ASU were due by July 5, 2016.

International

IASB Proposes Amendments Related to the Definition of a Business and Accounting for Previously Held Interests*

Affects: Entities reporting under IFRSs.

Summary: On June 28, 2016, the IASB issued an ED that would amend IFRS 3 and IFRS 11 to clarify (1) "the definition of a business" and (2) "the accounting for previously held interests when an entity obtains control of a business that is a joint operation and when it obtains joint control of a business that is a joint operation." The definition of a business is being amended in response to concerns that stakeholders are finding the current definition difficult to apply, while the amendments related to previously held interests are being made to reduce "diversity in practice in accounting for previously held interests in the assets and liabilities of a joint operation in two types of transactions: those in which an entity obtains control of a business that is a joint operation and those in which it obtains joint control of a business that is a joint operation."

Editor's Note

In November 2015, the FASB issued a proposed ASU on clarifying the definition of a business. The ED indicates that the proposed amendments to IFRS 3 and the FASB's proposed ASU are "based on substantially converged tentative conclusions."

Next Steps: Comments on the ED are due by October 31, 2016.

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

IASB Clarifies the Classification and Measurement of Share-Based Payment Transactions*

Affects: Entities reporting under IFRSs.

Summary: On June 20, 2016, the IASB published amendments to IFRS 2 that clarify the accounting requirements related to classification and measurement of share-based payment transactions. Specifically, the amendments concern the:

- Effects of vesting and nonvesting conditions on the measurement of a cash-settled share-based payment.
- Classification of share-based payment transactions with net settlement features for withholding tax obligations.
- Accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

Next Steps: The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

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

IFRS Foundation Trustees Propose Amendments to Constitution*

Affects: Entities reporting under IFRSs.

Summary: On June 10, 2016, the IFRS Foundation trustees published an ED that proposes amendments to the foundation's constitution. The proposal marks the conclusion of the trustees' review of the foundation's structure and effectiveness. The amendments would affect three main aspects of the foundation's strategy: relevance of IFRSs, consistent application of IFRSs, and the foundation's governance and financing.

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

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

IASB Publishes Clarifications to IFRS 15

Affects: Entities reporting under IFRSs.

Summary: On April 12, 2016, the IASB published final clarifications to its revenue standard, IFRS 15, which address (1) identifying performance obligations, (2) principal-versus-agent considerations, and (3) licensing. The amendments also provide some transition relief for modified contracts and completed contracts. Specific provisions of the amendments include the following:

- *Identifying performance obligations* — Clarification that the objective of the assessment of a promise to transfer goods or services to a customer is to determine whether the nature of the promise, within the context of the contract, is to transfer each of those goods or services individually or, instead, to transfer a combined item or items to which the promised goods or services are inputs.
- *Principal-versus-agent considerations* — Extension of the application guidance.

- *Licensing* — Clarification of whether an entity's promise to grant a license of its IP should be recognized as revenue at a point in time or over time on the basis of whether the licensor's ongoing activities significantly affect the IP.
- *Transition relief* — Two additional (optional) practical expedients.

Editor's Note

The FASB decided to publish more extensive amendments to its counterpart revenue standard, ASU 2014-09. Final amendments to the application guidance on principal-versus-agent considerations were published in March 2016 (ASU 2016-08), an ASU on identifying performance obligations and licensing was issued in April 2016 (ASU 2016-10), and a final standard containing other narrow-scope amendments and practical expedients was released in May 2016 (ASU 2016-12).

Next Steps: The amendments are effective for annual reporting periods beginning on or after January 1, 2018, which is the same effective date as that of IFRS 15. Earlier application is permitted.

Other Resources: Deloitte's April 20, 2016, *IFRS in Focus* newsletter. Also see the press release and interview with Ian Mackintosh on the IASB's Web site.

Accounting — Other Key Developments

In This Section

FAF

FAF Issues 2015 Annual Report

Affects: All entities.

Summary: On May 19, 2016, the FAF released its 2015 annual report, which bears the subtitle "Serving the Financial Statement User" and focuses on how the FAF, FASB, and GASB "serve the capital markets through their specific roles in the standard-setting process." In addition to summarizing those organizations' accomplishments over the past year, the annual report features comments by 16 financial statement users, including institutional and retail investors, municipal analysts, and data aggregators, on the importance of high-quality financial reporting standards to their work.

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

Non-GAAP Measures

SEC Urges Companies to Take a Fresh Look at Their Non-GAAP Measures

Affects: SEC registrants.

Summary: On May 17, 2016, the SEC updated its C&DIs on non-GAAP measures in response to its increasing concerns that such measures may be misleading, more prominent than comparable GAAP measures, or inconsistently presented from period to period. The C&DIs do not prohibit companies from using non-GAAP measures that comply with the SEC's existing rules. However, the SEC staff's tone in the C&DIs is intentionally forceful in an effort to "send a message," as stated by Mark Kronforst, chief accountant in the SEC's Division of Corporation Finance, at the May 18 meeting of the PCAOB's Standing Advisory Group. In his discussion of the SEC's concerns about non-GAAP measures, Mr. Kronforst announced that "this next quarter will be a great opportunity for companies to self-correct."

The months leading up to the release of the updated C&DIs have been marked by an explosion of press coverage and SEC scrutiny of non-GAAP measures in reaction to the increased use of these measures as well as the progressively larger difference between the amounts reported for GAAP measures and those reported for non-GAAP measures. For example, a study published by FactSet indicated that for 2015, 67 percent of the companies in the Dow Jones Industrial Average reported non-GAAP earnings per share and, on average, that the difference between the GAAP and non-GAAP earnings per share for these companies was approximately 30 percent, representing a significant increase from approximately 12 percent in 2014.

Editor's Note

On June 28, 2016, the CAQ released a publication containing discussion of, and questions about, non-GAAP measures for audit committees to consider. The purpose of the publication is "to help audit committees continue to assess management's presentation, outside the audited financial statements, of performance metrics that do not conform to [GAAP]." Three main topics are addressed:

- *Transparency* — Considerations related to "the purpose, prominence, and labeling of non-GAAP information, specifically in relation to traditional GAAP measurements."
- *Consistency* — The determination of "whether non-GAAP measures are consistent and balanced."
- *Comparability* — A comparison of a company's presentation of non-GAAP measures with that of its peers.

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

SEC officials have commented on the sharp rise in the use of non-GAAP measures. In a speech delivered in March of this year, SEC Chief Accountant James Schnurr noted that the "SEC staff has observed a significant and, in some respects, troubling increase . . . in the use of, and nature of adjustments within, non-GAAP measures" as well as their prominence. He further noted that non-GAAP measures are intended to "supplement . . . not supplant the information in the financial statements." In April and May, Mr. Kronforst and Wesley Bricker, a deputy chief accountant in the SEC's Office of the Chief Accountant, highlighted additional concerns about non-GAAP measures. Their comments focused primarily on the use of individually tailored accounting principles to calculate non-GAAP earnings, such as those used in certain adjusted revenue measures; non-GAAP per-share performance measures that appear to be liquidity measures; and the tax treatment of non-GAAP adjustments.

As reflected in its reviews and comment letters, speeches, and updated C&DIs, the SEC is urging companies to take a fresh look at their use of non-GAAP measures in earnings releases and periodic reports.

Editor's Note

The use of alternative performance measures is receiving greater attention outside the United States as well. On May 19, 2016, for example, the FRC — an independent regulator in the United Kingdom that is "responsible for promoting high quality corporate governance and reporting to foster investment" — published a set of FAQs to help entities comply with the alternative performance measure guidelines issued in June 2015 by ESMA, an independent EU authority that seeks to enhance the protection of investors and promote stable and orderly financial markets.

Other Resources: Deloitte's May 19, 2016, journal entry and May 23, 2016, *Heads Up*.

Revenue Recognition

SEC Deputy Chief Accountant Discusses Revenue Recognition at Baruch Conference

Affects: All entities.

Summary: On May 5, 2016, at the 2016 Baruch College Financial Reporting Conference in New York City, Wesley Bricker, a deputy chief accountant in the SEC's Office of the Chief Accountant (OCA), gave a speech in which he discussed transition issues related to the FASB's new revenue standard (ASU 2014-09). He reiterated his support for the TRG's implementation activities, particularly given the significant judgment entities must use in applying the new revenue standard, and noted that the OCA continues to "encourage management, auditors, and others to refer interpretive issues to the TRG."

Mr. Bricker also suggested that registrants consider consultation with the OCA, especially when faced with "unusual, complex, or innovative transactions for which no clear guidance exists" or when contemplating accounting that deviates from the accounting supported by the TRG.

In addition, Mr. Bricker emphasized the importance of providing investors with disclosures that explain the impact that new accounting standards are expected to have on an entity's financial statements ("transition disclosures"). Such disclosures provide investors with the information necessary to determine the effects of adopting a new standard and how the adoption will affect comparability from period to period.

Further, Mr. Bricker discussed the requirement to provide revised financial statements for the first quarter in which the new revenue standard is adopted but before filing a Form S-3 registration statement, since registrants have expressed concerns about this requirement. He noted that the new revenue standard refers to current GAAP and therefore contemplates an impracticability exception to retrospective application if, "after making every reasonable effort to do so," a registrant concludes that it is not practicable to apply the standard retrospectively to all periods required to be presented in a registration statement.

Other Resources: Deloitte's May 9, 2016, and May 6, 2016, journal entries.

First FASB-Only Revenue Recognition TRG Meeting Held

Affects: All entities.

Summary: On April 18, 2016, the TRG for revenue recognition, which was created by the FASB and IASB to address potential issues related to the implementation of the boards' new revenue standard, held its first FASB-only session. Topics discussed at the meeting included:

- Scope considerations related to incentive-based capital allocations, such as carried interests.
- Considering the class of customer in the evaluation of whether a customer option gives rise to a material right.
- Scope considerations for financial institutions.
- Evaluating how control is transferred over time.
- Treatment of contract assets in contract modifications.

Editor's Note

On January 21, 2016, the IASB announced that it has completed its decision-making process related to clarifying the new revenue standard and that it no longer plans to schedule TRG meetings for IFRS constituents. Therefore, TRG meetings will now be FASB-only; however, IASB staff members may participate as observers.

Next Steps: The revenue recognition TRG's next meeting is scheduled for July 25, 2016.

Other Resources: Deloitte's April 2016 *TRG Snapshot*.

International

Financial Reporting Considerations Related to the UK's Vote to Leave the EU*

Affects: All entities.

Summary: The United Kingdom's (UK's) vote to depart from the European Union (EU) in a June 23, 2016, referendum (the "Brexit" vote) caught many by surprise and has given rise to a host of questions about the near-term and longer-term effects of Britain's exit from the EU on an entity's financial reporting.

The referendum itself will not result in the UK's immediate exodus from the EU since the vote is not legally binding on the British government. Rather, Parliament, having heard the voice of voters, must now enact laws to facilitate the UK's departure and must notify the European Commission of its intention to leave the EU. After such notice is provided, the UK and European Commission will have a two-year window in which to establish the terms of Britain's departure.

Although formal separation from the EU will take time, the uncertainty introduced by the vote has already manifested itself in the financial markets. Such uncertainly is likely to affect other areas of the global economy in the short term and is expected to continue at least until the date on which the terms of the UK's exit have been determined.

The impact on entities will vary significantly by industry sector and by other entity-specific factors. However, given the vote's shock to global financial markets and their immediate reaction to it, all entities should consider how they are affected and what they may need to communicate to the market.

Other Resources: Deloitte's June 24, 2016, *Financial Reporting Alert*. Also see Deloitte's July 2016 *IFRS in Focus* newsletter, *A Guide to Brexit*, and EU Referendum page.

IFRS Foundation Updates Due Process for IFRS Taxonomy*

Affects: Entities reporting under IFRSs.

Summary: On June 23, 2016, the IFRS Foundation trustees announced that they have revised their *Due Process Handbook* related to developing and maintaining the IFRS taxonomy. The amendments include:

- The IASB will review and approve the content of the taxonomy when new or amended IFRSs are being considered.

- A panel will be established to review the taxonomy's "common practice content."
- Proposed updates to the taxonomy will be drafted and approved simultaneously with the finalization of the related IFRSs.
- The IFRS Taxonomy Consultative Group's role in the due process is formalized.

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

GPPC Issues Report on Banks' Implementation of IFRS 9 Impairment Requirements*

Affects: Banking entities reporting under IFRSs.

Summary: On June 17, 2016, the GPPC issued a report on banks' implementation of the impairment requirements in IFRS 9. The report assists the two key groups in a bank that will be instrumental in ensuring a high-quality implementation of IFRS 9:

- Those charged with governance, who will oversee implementation. Section 1 of the report addresses the key areas of focus for this group, such as governance and controls, sophistication and proportionality, and transition issues.
- Finance, risk management, IT, and other executives who are charged with implementing the new requirements. Section 2 of the report discusses key components of implementing expected credit loss accounting, including expected credit loss methods, default, probability of default, exposure, loss given default, discounting, staging assessment, macroeconomic forecasts, and forward-looking information.

IOSCO Issues Final Report on Non-GAAP Financial Measures*

Affects: All entities.

Summary: On June 7, 2016, IOSCO issued a final report that sets out IOSCO's expectations for the presentation of non-GAAP measures by issuers. The report divides IOSCO's expectations regarding disclosures about non-GAAP financial measures into the following broad categories:

- Defining the non-GAAP financial measure.
- Unbiased purpose.
- Prominence of GAAP measures versus non-GAAP financial measures.
- Reconciliation to comparable GAAP measures.
- Presentation of non-GAAP financial measures consistently over time.
- Recurring items.
- Access to associated information.

Editor's Note

Similarly, the SEC has taken steps in response to its increasing concerns that non-GAAP measures may be misleading, more prominent than comparable GAAP measures, or inconsistently presented from period to period. See Deloitte's May 23, 2016, *Heads Up* for more information.

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

IFRS Foundation Releases 2015 Annual Report

Affects: Entities reporting under IFRSs.

Summary: On May 19, 2016, the IFRS Foundation published its 2015 annual report, which outlines the organization's objectives for the future, including:

- Developing "a single set of high quality, globally enforceable accounting standards."
- Pursuing the objective of global IFRS adoption.
- Supporting "consistent application and implementation" of IFRSs.
- Ensuring the foundation's "continued independence, stability and accountability."

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

IASB Confirms Decision to Amend Standard on Insurance Contracts

Affects: Entities reporting under IFRSs.

Summary: On May 17, 2016, the IASB announced that it has decided to proceed with issuing amendments to IFRS 4, the Board's standard on insurance contracts. The purpose of the amendments is to address implementation issues related to the Board's financial instruments standard, IFRS 9, before the effective date of IFRS 4. Specific provisions of the amendments will include:

- Entities that issue insurance contracts will have "the option to remove from profit or loss the volatility that may be caused by certain changes in the measurement of financial assets when applying IFRS 9 before the new insurance contracts Standard."
- Entities for which the "predominant activities are insurance-related [will have] an optional temporary exemption from applying IFRS 9 until 2021."

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

Auditing Developments

In This Section

AICPA

AICPA Issues Proposal Related to Audit Data Standards

Affects: Auditors.

Summary: On May 16, 2016, the ASEC of the AICPA issued an ED of a proposed audit data standard that recommends a standard format for fields and files related to the inventory subledger frequently requested by internal and external auditors. The proposed subledger standard would "accommodate basic analysis of the inventory process [and] facilitate analysis performed as part of an audit, as well as analysis that might be performed by company staff and internal audit in order to improve internal processes."

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

AICPA Proposes Hosting Services Interpretation

Affects: AICPA members that provide hosting services.

Summary: On May 16, 2016, the PEEC of the AICPA issued an ED of a proposed independence interpretation that contains guidance on the provision of hosting services to clients (e.g., acting as a business continuity or disaster recovery provider, hosting the client's financial system or Web site on firm servers, or keeping the client's data or records for safekeeping). The interpretation indicates that "[w]hen a *member* is engaged to provide services that involve the *member* having custody or control of data or records that the *attest client* uses to conduct its operations (hosting services) the self-review and management participation *threats* to the *member's* compliance with the [AICPA's independence rule] would not be at an *acceptable level*, and could not be reduced to an acceptable level by the application of *safeguards*, and *independence* would be *impaired*."

Next Steps: Comments on the proposed interpretation are due by July 18, 2016.

AICPA Clarifies and Recodifies Attestation Standards

Affects: Auditors that perform and report on examination, review, and agreed-upon procedures engagements.

Summary: In April 2016, the ASB of the AICPA issued SSAE 18, which marks the completion of the AICPA's project to redraft its attestation standards in a manner consistent with its clarity drafting conventions. As part of the redrafting process, the current "AT" sections have been recodified as "AT-C" sections to indicate that they have been clarified and to distinguish them from superseded sections. Improvements to the new sections include:

- Creating an objective for each AT-C section.
- Incorporating a definitions section into each AT-C section as appropriate.
- Differentiating "requirements from application and other explanatory material."
- Using an "A- prefix" to number "application and other explanatory material paragraphs . . . and presenting them in a separate section that follows the requirements section."

- Improving readability through the use of formatting techniques (e.g., bulleted lists).
- When relevant, including special considerations related to (1) "audits of smaller, less complex entities" and (2) "examination, review, or agreed-upon procedures engagements for governmental entities."

PCAOB

PCAOB Issues Staff Guidance on Filing of Form AP*

Affects: Auditors.

Summary: On June 28, 2016, the PCAOB issued staff guidance to help auditors provide disclosures on the new Form AP, as required by the Board's December 2015 final rule. (The SEC approved the rule on May 9, 2016.) On Form AP, auditors must disclose (1) "the name of the engagement partner"; (2) "the names, locations, and extent of participation of other independent public accounting firms that took part in the audit, [if their] work constituted at least 5% of total audit hours"; and (3) the "number and aggregate extent of participation of all other accounting firms participating in the audit whose individual participation was less than 5% of total audit hours."

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

PCAOB Reproposes Changes to the Auditor's Reporting Model

Affects: Auditors.

Summary: On May 11, 2016, the PCAOB reproposed its auditor reporting standard on auditors' reports on audits of financial statements in which the auditor expresses an unqualified opinion. Like the original proposal, the reproposal is intended to significantly enhance the auditor's reporting model and retain the current "pass/fail" approach while increasing the amount of other information included in auditors' reports. The reproposal:

- Includes a new required section of the auditor's report describing critical audit matters (CAMs).
- Narrows the definition of CAMs.
- Excludes the following from the requirements related to CAMs: broker-dealers; investment companies other than business development companies; and employee stock purchase, savings, and similar plans.
- Calls for the addition of new elements to the auditor's report, including statements about the requirement of auditor independence and auditor tenure.

Editor's Note

On May 23, 2016, the IAASB issued a publication that compares its auditor reporting standards (which were updated in January 2015) with the PCAOB's reproposed standard. The IAASB's publication "focuses on a comparison between the IAASB's concept of [key audit matters], as set out in ISA 701, . . . and the PCAOB's concept of [CAMs]."

Next Steps: Comments on the reproposal are due by August 15, 2016.

Other Resources: Deloitte's May 27, 2016, *Audit & Assurance Update* and May 11, 2016, journal entry. Also see the press release and fact sheet on the PCAOB's Web site.

PCAOB Issues Practice Alert on Audit Document Alterations

Affects: Auditors.

Summary: On April 21, 2016, the PCAOB issued a staff audit practice alert that reminds auditors of serious disciplinary actions that can result from the improper alteration of audit documentation in connection with a PCAOB inspection or investigation. The alert notes that "[c]hanges and additions to audit documentation, if any, following the documentation completion date must be made strictly in accordance with AS 1215."

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

PCAOB Issues Staff Inspection Briefs

Affects: Auditors.

Summary: On April 19, 2016, the PCAOB issued the following two staff inspection briefs:

- *Preview of Observations From 2015 Inspections of Auditors of Issuers* — Notes that fewer audit deficiencies were identified in 2015 than in the previous year. The most frequent audit deficiencies involved (1) auditing internal control over financial reporting; (2) assessing and responding to risks of material misstatement; and (3) auditing accounting estimates, including fair value measurements.
- *Preview of Observations From 2015 Inspections of Auditors of Brokers and Dealers* — Indicates that there were "fewer independence impairments of auditors of broker-dealers [in 2015] than in prior years." However, deficiencies were observed in the following areas: (1) auditor independence; (2) financial statement audit procedures; (3) audit procedures on the supplemental schedules to the financial statements; (4) the examination of compliance reports and the review of exemption reports under newly applicable PCAOB standards; and (5) engagement quality review.

Other Resources: For more information, see the issuer and broker-dealer inspection brief press releases on the PCAOB's Web site.

PCAOB Issues Proposal on Audits Involving Other Auditors

Affects: Auditors.

Summary: On April 12, 2016, the PCAOB issued a proposal for public comment that would "amend its auditing standards to strengthen the requirements that apply to audits that involve accounting firms and individual accountants outside the accounting firm that issues the audit report." The enhancements "are intended to increase the lead auditor's involvement in and evaluation of the work of other auditors, enhance the ability of the lead auditor to prevent or detect deficiencies in the work of other auditors, and facilitate improvements in the quality of the work of other auditors."

Next Steps: Comments on the proposal are due by July 29, 2016.

Other Resources: For more information, see Deloitte's April 29, 2016, *Audit & Assurance Update* as well as the press release and fact sheet on the PCAOB's Web site.

PCAOB Requests Comments on Engagement Quality Review Standard as Part of New Post-Implementation Review Program

Affects: Auditors that perform engagement quality reviews.

Summary: On April 6, 2016, the PCAOB issued a request for comment on the overall effect of Auditing Standard 7 (on engagement quality review) as part of its new post-implementation review (PIR) program. Topics on which the request for comment is seeking feedback include:

- Whether Auditing Standard 7 has achieved its objective.
- The standard's effect on "the credibility of financial reporting."
- The experiences of preparers, auditors, and audit committees with implementing the standard, including the costs and benefits of implementation.
- Whether the standard could be enhanced and, if so, how.

The purpose of the new PIR program is "to evaluate whether adopted rules and standards are accomplishing their intended purposes, and identify any unintended consequences, as well as gauge the overall effects of the rules or standards."

Comments were due by July 5, 2016.

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

International

IOSCO Publishes Report on Audit Committee Oversight of Auditors*

Affects: Auditors.

Summary: On May 31, 2016, IOSCO published a report that "summarizes the results of an IOSCO survey of its members regarding the existing legal, regulatory and other requirements related to the oversight by audit committees of the auditor and the audit process of domestic publicly-listed entities." The objective of the report is to attempt to identify "audit committee practices that could improve audit quality at publicly listed entities."

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

Governmental Accounting and Auditing Developments

FASAB

FASAB Proposes Requirements Related to Disclosures About Tax Expenditures*

Affects: Entities applying federal financial accounting standards.

Summary: On June 2, 2016, the FASAB released an ED that would require the U.S. government's consolidated financial report to include certain disclosures about tax expenditures. Such disclosures would include information about the definition and general purpose of such expenditures as well as about their impact on "the government's financial position and condition."

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

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

FASAB Issues Statement on Disclosure Requirements Related to Public-Private Partnerships

Affects: Entities applying federal financial accounting standards.

Summary: On April 27, 2016, the FASAB issued Statement 49, which "establishes principles" for disclosing information about public-private partnerships in a reporting entity's general-purpose federal financial reports. In addition to providing a definition of these partnerships, the Statement identifies "risk-based characteristics that need to exist before considering the [public-private partnership] arrangement or transaction for disclosure."

Next Steps: Statement 49 is effective for periods beginning after September 30, 2018. Early adoption is permitted.

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

GASB

GASB Issues Guidance on Pension Issues

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

Summary: On April 11, 2016, the GASB issued Statement 82, which addresses implementation issues related to certain aspects of the GASB's pension standards, including:

- Presenting "payroll-related measures in required supplementary information."
- Selecting "assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes."
- Classifying "payments made by employers to satisfy employee (plan member) contribution requirements."

Next Steps: Statement 82 is effective for reporting periods beginning after June 15, 2016. Early application is encouraged.

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

International

IPSASB Removes Definition of Government Business Enterprise From IPSASs

Affects: Public-sector entities.

Summary: On April 21, 2016, the IPSASB issued a final pronouncement that eliminates the definition of government business enterprise (GBE) from IPSAS 1 and makes other related revisions to its IPSASs and RPGs. The amendments are being made in response to feedback indicating that the current GBE definition is overly ambiguous and difficult to interpret. The IPSASB has also revised the IPSAS preface to reflect these changes.

The amendments are effective as of December 31, 2015.

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

IPSASB Publishes *Improvements to IPSAS 2015*

Affects: Public-sector entities.

Summary: On April 19, 2016, the IPSASB published *Improvements to IPSAS 2015*, which contains various amendments to IPSASs. The amendments can be divided into four categories:

- Consequential amendments related to chapters 1–4 of the conceptual framework.
- General IPSAS enhancements.
- Alignments with government finance statistics.
- Revisions to reflect changes related to the IASB's projects on annual improvements and narrow-scope amendments.

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

Regulatory and Compliance Developments

In This Section

COSO

COSO Proposes Revisions to ERM Framework*

Affects: All entities.

Summary: On June 15, 2016, COSO issued an ED that proposes revisions to its enterprise risk management (ERM) framework, which was first released in 2004. The updated ERM framework would "address the needs of all organizations to improve their approach to managing new and existing risks as a way to help create, preserve, sustain and realize value."

Next Steps: Comments on the ED are due by September 30, 2016.

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

SEC

SEC Issues Proposed Rule on Business Continuity and Transition Plans for Investment Advisers*

Affects: SEC-registered investment advisers.

Summary: On June 28, 2016, the SEC issued a proposed rule that would require "SEC-registered investment advisers to adopt and implement written business continuity and transition plans reasonably designed to address operational and other risks related to a significant disruption in the investment adviser's operations." Further, such advisers would need to "make and keep all business continuity and transition plans that are currently in effect or at any time within the past five years were in effect."

Next Steps: Comments on the proposed rule are due 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 Issues Final Rule on Resource Extraction Disclosures*

Affects: SEC registrants.

Summary: On June 27, 2016, the SEC issued a final rule on disclosures about payments made by resource extraction issuers. The final rule, which implements Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, requires "resource extraction issuers to include in an annual report information relating to any payment made by the issuer, a subsidiary of the issuer, or an entity under the control of the issuer, to a foreign government or the Federal Government for the purpose of the commercial development of oil, natural gas, or minerals." The rule is designed to improve transparency, thereby helping to "combat global corruption and empower citizens of resource-rich countries to hold their governments accountable for the wealth generated by those resources."

Next Steps: The final rule will become effective 60 days after the date of its publication in the *Federal Register* and must be complied with for fiscal years ending on or after September 30, 2018.

Other Resources: Deloitte's June 30, 2016, journal entry. Also see the press release on the SEC's Web site.

SEC Proposes Amendments to Definition of Smaller Reporting Company*

Affects: SEC registrants.

Summary: On June 27, 2016, the SEC issued a proposed rule that "would expand the number of companies that qualify as smaller reporting companies, thus qualifying for certain existing scaled disclosures provided in Regulation S-K and Regulation S-X." Specifically, the proposal would increase the qualification threshold from less than $75 million of public float to less than $250 million. Further, companies without a public float "would be permitted to provide scaled disclosures if [their] annual revenues are less than $100 million, as compared to the current threshold of less than $50 million in annual revenues."

Next Steps: Comments on the proposed rule are due 60 days after the date of its publication in the *Federal Register*.

Other Resources: Deloitte's June 29, 2016, journal entry. Also see the press release on the SEC's Web site.

SEC Staff Updates C&DIs on Securities Act Rules*

Affects: SEC registrants.

Summary: On June 23, 2016, the staff in the SEC's Division of Corporation Finance updated Section 271 of its C&DIs on rules related to the Securities Act of 1933. The updated guidance addresses questions about the completion of a merger transaction.

SEC Proposes Rule on Modernization of Property Disclosure Requirements for Mining Registrants*

Affects: SEC registrants.

Summary: On June 16, 2016, the SEC issued a proposed rule that would revise the property disclosure requirements for mining registrants and related guidance "by aligning them with current industry and global regulatory practices and standards." The purpose of the revisions is to help investors understand registrants' mining properties so that they can "make more informed investment decisions."

Next Steps: Comments on the proposed rule are due by August 26, 2016.

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

SEC to Allow Inline XBRL Filing*

Affects: SEC registrants.

Summary: On June 13, 2016, the SEC issued an order that permits entities to use a format known as inline XBRL "to file structured financial statement data required in their annual and quarterly reports that is integrated within their HTML filings through March 2020." The SEC believes that use of inline XBRL will help "decrease filing preparation costs, improve the quality of structured data, and . . . increase the use of XBRL data by investors and other market participants."

The Commission has also updated the EDGAR Filer Manual to accommodate the use of inline XBRL. Additional changes to EDGAR include the discontinued support for the 2014 GAAP financial reporting taxonomy, the 2012 COUNTRY taxonomy, the 2012 CURRENCY taxonomy, and the 2014 EXCH taxonomy.

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

SEC Issues Final Rule to Establish Trade Acknowledgment and Verification Requirements for Security-Based Swap Transactions*

Affects: SEC registrants.

Summary: On June 8, 2016, the SEC issued a final rule to establish trade acknowledgment and verification requirements for security-based swap transactions. Under the final rule, which is being issued in response to a mandate of the Dodd-Frank Act, security-based swap (SBS) entities that enter into SBS transactions are required to:

- "Provide a trade acknowledgment electronically to its transaction counterparty promptly, and no later than the end of the first business day following the day of execution."
- "Promptly verify or dispute with its counterparty the terms of a trade acknowledgment it receives."
- "Have written policies and procedures in place that are reasonably designed to obtain verification of the terms outlined in any trade acknowledgment that it provides."

In addition, certain broker-dealers that are SBS entities will be exempt from the requirements in Exchange Act Rule 10b-10 if they meet the requirements of the final rule.

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

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

SEC Adopts Interim Final Rule Implementing FAST Act Provisions*

Affects: SEC registrants.

Summary: On June 1, 2016, the SEC issued an interim final rule that implements provisions mandated by the FAST Act, passed by Congress in December 2015. The interim final rule allows Form 10-K filers to provide a summary of business and financial information contained in the annual report. The rule indicates that "a registrant may, at its option, include a summary in its Form 10-K provided that each item in the summary includes a cross-reference by hyperlink to the material contained in the registrant's Form 10-K to which such item relates."

In addition, the rule solicits comments on whether it should (1) include specific requirements or guidance related to the form and content of the summary and (2) be expanded to include other annual reporting forms.

The interim final rule became effective on June 9, 2016.

Next Steps: Comments on the interim final rule are due by July 11, 2016.

Other Resources: Deloitte's June 2, 2016, journal entry. Also see the press release on the SEC's Web site.

CAQ SEC Regulations Committee Releases Highlights of March 21, 2016, Joint Meeting With SEC Staff

Affects: SEC registrants.

Summary: On May 20, 2016, the CAQ posted to its Web site highlights of the March 21, 2016, CAQ SEC Regulations Committee joint meeting with the SEC staff. Topics discussed at the meeting include:

- Current financial reporting matters:
  - Transition questions related to the FASB's new leases standard (ASU 2016-02).
  - The lack of availability of FAST Act initial filing accommodations to registrants other than emerging growth companies (EGCs) and to SEC forms other than Forms S-1 and F-1.
  - Confirmation that the guidance on conflict minerals in the SEC staff's April 29, 2014, public statement is still current.
  - Updates to the SEC's FRM, particularly the changes to paragraph 11100.2 on the presentation of supplementary quarterly financial data required by Regulation S-K, Item 302, in EGC filings.
  - Status of disclosure effectiveness initiatives related to Regulation S-X and Regulation S-K.
  - Recent SEC staff remarks on non-GAAP measures.
  - Providing supplemental pro forma information in MD&A when a registrant adopts the new revenue guidance in ASC 606 on a modified retrospective basis.
- Current practice issue:
  - The application of the general instructions applicable to EGCs for Form S-1 or Form F-1 with respect to pro forma financial information for a fiscal year that a registrant reasonably believes will not be included in a registration statement at the time of a contemplated offering.

Other Resources: Deloitte's May 20, 2016, journal entry.

SEC Publishes C&DIs and Compliance Guide Related to Crowdfunding Rules

Affects: Issuers that are eligible to undertake crowdfunding offerings.

Summary: On May 13, 2016, the SEC issued the following publications to provide guidance to help registrants understand the requirements in the Commission's October 2015 final rule on raising capital by using crowdfunding, which became effective on May 16, 2016.

- *C&DIs* — Address crowdfunding exemption and requirements, disclosure requirements, advertising, and promoter compensation.
- *A small-entity compliance guide for issuers* — Topics covered include requirements that registrants must meet to use the "regulation crowdfunding" exemption, issuers' disclosures, limits on advertising and promoters, restrictions on resale, exemptions from Section 12(g) of the Securities Exchange Act of 1934, and bad actor disqualification.

SEC and Other Organizations Propose Guidance on Incentive-Based Compensation Arrangements

Affects: Certain financial institutions.

Summary: On May 6, 2016, the SEC and several other government agencies, including the Federal Reserve Board, OCC, FDIC, FHFA, and NCUA, jointly issued a proposed rule on incentive-based compensation arrangements to implement Section 956 of the Dodd-Frank Act. The proposed rule would:

- Prohibit "incentive-based payment arrangements that the Agencies determine encourage inappropriate risks by certain financial institutions by providing excessive compensation or that could lead to material financial loss."
- Require "financial institutions to disclose information concerning incentive-based compensation arrangements to the appropriate Federal regulator."

Next Steps: Comments on the proposed rule are due by July 22, 2016.

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

SEC Issues Final Rule to Implement Provisions of JOBS Act and FAST Act

Affects: SEC registrants.

Summary: On May 3, 2016, the SEC issued a final rule that (1) marks the completion of the Commission's rulemaking mandates under the JOBS Act and (2) implements provisions of the FAST Act. Specifically, the final rule:

- Amends "Exchange Act Rules 12g-1 through 12g-4 and 12h-3 which govern the procedures relating to registration and termination of registration under Section 12(g), and suspension of reporting obligations under Section 15(d), to reflect the new thresholds established by the JOBS Act and the FAST Act."
- Applies "the definition of 'accredited investor' in Securities Act Rule 501(a) to determinations as to which record holders are accredited investors for purposes of Exchange Act Section 12(g)(1)."

The final rule also revises the definition of "held of record" and establishes a nonexclusive safe harbor under Exchange Act Section 12(g).

The final rule became effective on June 9, 2016.

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

SEC Staff Publishes C&DI on Form ABS-EE Filing

Affects: SEC registrants.

Summary: On April 28, 2016, the staff in the SEC's Division of Corporation Finance updated its C&DI related to Regulation AB to include guidance on filing asset-level disclosures on Form ABS-EE.

SEC Proposes National Market System Plan to Create a Consolidated Audit Trail

Affects: SEC registrants.

Summary: On April 27, 2016, the SEC issued for public comment a national market system (NMS) plan under which a consolidated audit trail (CAT) and other related data would be created, implemented, and maintained. The NMS plan describes how self-regulatory organizations and broker-dealers "would record and report information, including the identity of the customer, resulting in a range of data elements that together provide the complete lifecycle of all orders and transactions in the U.S. equity and options markets."

In her statement regarding the plan, SEC Chair Mary Jo White stated that the CAT "will generate enormous benefits for the SEC's mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation."

Next Steps: Comments on the proposed plan are due by July 18, 2016.

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

SEC Updates EDGAR Filer Manual and Technical Specifications

Affects: SEC registrants.

Summary: On April 27, 2016, the SEC issued a final rule that updates its EDGAR System Filer Manual (Volume II) to include new submission forms related to the registration of security-based swap dealers and major security-based swap participants. In addition, the SEC has implemented XML technical specifications related to ABS asset data file types, Form 17-H, and SBS entity forms.

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

SEC Announces Tool for Estimating Registration Fees

Affects: SEC registrants.

Summary: On April 18, 2016, the SEC announced the launch of a new online tool to help companies calculate registration fees for certain form submissions to its EDGAR System Filer Manual. The tool is "intended to improve the accuracy of fee calculations and minimize the need for corrections." It covers the most common filings companies use to register initial public offerings, debt offerings, asset-backed securities, closed-end mutual funds, limited partnerships, and small business investment companies.

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

SEC Publishes Final Rules on Security-Based Swaps

Affects: SEC registrants.

Summary: On April 14, 2016, the SEC issued final rules on security-based swaps that "implement provisions of Title VII relating to business conduct standards and the designation of a chief compliance officer for security-based swap [SBS] dealers and major [SBS] participants." In addition, the rules address "the cross-border application of the rules and the availability of substituted compliance." The final rules include:

- *Rule 15Fh-1* — Defines the scope of the rules.
- *Rule 15Fh-2* — Defines terms used throughout the rules.
- *Rule 15Fh-3* — Addresses the business conduct requirements applicable to SBS entities.
- *Rule 15Fh-4* — Outlines unlawful activities for SBS entities and contains requirements for SBS dealers that advise special entities.
- *Rule 15Fh-5* — Provides requirements for SBS entities that act as counterparties to special entities.
- *Rule 15Fh-6* — Imposes pay-to-play restrictions on SBS dealers.
- *Rule 15k-1* — Outlines requirements for chief compliance officers.

Next Steps: The final rules will become effective on July 12, 2016.

Other Resources: For more information, see the speech by SEC Chair Mary Jo White on the SEC's Web site.

SEC Requests Comments on Regulation S-K

Affects: SEC registrants.

Summary: On April 13, 2016, the SEC issued a concept release that seeks feedback from constituents on modernizing certain business and financial disclosure requirements of Regulation S-K. The main requirements of Regulation S-K, which is the central repository for nonfinancial statement disclosure requirements for public companies, were established more than 30 years ago, and the modernization and optimization of these requirements may be called for as a result of evolving business models, new technology, and changing investor interests.

The release is part of the SEC's ongoing disclosure effectiveness initiative, which is a broad-based review of the Commission's disclosure, presentation, and delivery requirements for public companies. It follows the SEC's issuance last fall of a request for comment that sought feedback on the effectiveness of financial disclosure requirements in Regulation S-X that apply to certain entities other than the registrant.

Next Steps: Comments on the concept release are due by July 21, 2016.

Other Resources: Deloitte's April 18, 2016, *Heads Up*.

SEC Seeks Comments on PCAOB Rule on Inspections

Affects: SEC registrants.

Summary: On April 7, 2016, the SEC issued a notice to solicit public comments on the PCAOB's proposed amendments to Rule 4003 on frequency of inspections. The amendments would (1) eliminate triennial inspections of firms that play a substantial role in audits but do not issue audit reports and (2) eliminate references to "substantial role only" firms and modify other definitions.

Comments were due by May 4, 2016.

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).

Project	Description	Status and Next Steps
Recognition and Measurement Projects		
Accounting for financial instruments	The overall purpose of the project is to "significantly improve the decision usefulness of financial instrument reporting for users of financial statements. [The FASB believes] that simplification of the accounting requirements for financial instruments should be an outcome of this improvement."	**Credit Losses** On June 16, 2016, the FASB issued ASU 2016-13, which amends the Board's guidance on the impairment of financial instruments. The ASU adds to U.S. GAAP an impairment model (known as the current expected credit loss model) that is based on expected losses rather than incurred losses. For public business entities that meet the U.S. GAAP definition of an SEC filer, the ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For public business entities that do not meet the U.S. GAAP definition of an SEC filer, the ASU is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years beginning after December 15, 2021. Early adoption is permitted for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. For more information, see Deloitte's June 17, 2016, *Heads Up*. **Hedging** The Board is deliberating targeted improvements to the hedge accounting model under U.S. GAAP. At its June 29, 2015, and October 7, 2015, meetings, the Board made a number of tentative decisions that would significantly modify certain aspects of the existing hedge accounting model. The Board has directed its staff to (1) draft a proposed ASU, (2) prepare a cost-benefit analysis related to the proposed amendments, and (3) recommend a comment deadline. At its March 23, 2016, meeting, the Board made tentative decisions about the following transition issues: (1) alternatives for adoption, (2) disclosures, (3) optional elections, and (4) specific considerations related to fair value hedges. The proposed ASU is expected to be issued during the third quarter of 2016. For more information, see Deloitte's June 30, 2015; October 16, 2015; and March 28, 2016, journal entries.
Accounting for goodwill impairment	The objective of this project is to "reduce the cost and complexity of the subsequent accounting for goodwill by simplifying the impairment test . . . by removing the requirement to perform a hypothetical purchase price allocation when the carrying value of a reporting unit exceeds its fair value (step 2 of the impairment model in current GAAP)."	On May 12, 2016, the FASB issued a proposed ASU that would simplify the subsequent measurement of goodwill by removing the requirement to compare the implied fair value of goodwill with its carrying amount. Under the proposed amendments, "an entity would perform its annual, or any interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount." The proposed ASU would also remove existing special requirements for reporting units with a zero or negative carrying amount. Comments on the proposal are due by July 11, 2016. For more information, see Deloitte's May 24, 2016, *Heads Up*.

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

Accounting for identifiable intangible assets in a business combination for public business entities and not-for-profit entities	The purpose of the project is to "evaluate whether certain intangible assets should be subsumed into goodwill, with a focus on customer relationships and noncompete agreements."	At its October 28, 2015, meeting, the FASB staff updated the Board on its research related to the initial recognition of customer-relationship intangible assets and noncompetition agreements. The Board decided to continue the project and directed the staff to perform additional research.
Accounting for income taxes: intra-entity asset transfers	The purpose of this project is to "simplify certain aspects of ASC 740 related to intra-entity differences between the tax basis of the assets in a buyer's tax jurisdiction and their cost as reported in the consolidated financial statements."	On January 22, 2015, the FASB issued an ED that proposes (1) "to eliminate the exception in GAAP that prohibits recognizing current and deferred income tax consequences for an intra-entity asset transfer until the asset or assets have been sold to an outside party" and (2) "that an entity recognize the current and deferred income tax consequences of an intra-entity asset transfer when the transfer occurs." Comments on the ED were due by May 29, 2015. At its June 15, 2016, meeting, the FASB tentatively decided to proceed with the proposed amendment to remove the exception in ASC 740 that prohibits the immediate recognition of the tax consequences (both current and deferred) of intra-entity asset transfers, except for transfers of inventory. In addition, the Board decided what the final ASU's effective date will be and to permit early adoption. Further, the Board authorized the staff to draft a final ASU, which is expected to be issued in the third quarter of 2016. For more information, see Deloitte's June 16, 2016, journal entry.
Accounting for interest income associated with the purchase of callable debt securities	This project aims "to enhance the transparency and usefulness of the information provided in the notes to the financial statements about interest income on purchased debt securities and loans" and "will also consider targeted improvements regarding the accounting for the amortization of premiums for purchased callable debt securities."	At its March 18, 2015, meeting, the FASB added this project to its agenda. On September 16, 2015, the Board tentatively decided that for purchased callable debt securities, (1) premiums would be amortized to the first call date and (2) discounts would be amortized to the maturity date. For more information, see Deloitte's March 23, 2015, and September 17, 2015, journal entries.
Clarifying the definition of a business (phase 1)	The purpose of this project is to "clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses."	On November 23, 2015, the FASB issued a proposed ASU to help entities evaluate whether to account for transactions as acquisitions (or disposals) of assets or as businesses. Under the proposal, "to be considered a business, a set [of assets and activities] must include, at a minimum, an input and a substantive process that together contribute to the ability to create outputs." Comments on the proposal were due by January 22, 2016. For more information, see Deloitte's December 4, 2015, *Heads Up*.
Clarifying the scope of ASC 610-20 and accounting for partial sales of nonfinancial assets (formerly clarifying the definition of a business phase 2)	The purpose of this project is to clarify the scope of ASC 610-20 and the accounting for partial sales of nonfinancial assets.	On June 7, 2016, the FASB issued a proposed ASU that would amend the guidance on nonfinancial assets in ASC 610-20. The proposed amendments include: • Clarifying the scope of ASC 610-20 to indicate that it applies to "the derecognition of all nonfinancial assets and in substance nonfinancial assets unless other specific guidance applies." • Stipulating that "a distinct nonfinancial asset would be the unit of account for applying the nonfinancial asset derecognition guidance." • Providing guidance on accounting for partial sales of nonfinancial assets. Comments on the proposed ASU are due by August 5, 2016. For more information, see Deloitte's June 14, 2016, *Heads Up*.

Clarifying when a not-for-profit entity that is a general partner should consolidate a for-profit limited partnership (or similar entity)	The purpose of this project is to clarify when a not-for-profit entity that is a general partner should consolidate a for-profit limited partnership (or similar entity).	At its December 16, 2015, meeting, the FASB added this project to its agenda. At its March 30, 2016, meeting, the Board tentatively decided to reinstate the consolidation guidance from ASC 810-20 that was removed by ASU 2015-02. This guidance would now be housed in ASC 958-810. In addition, the FASB directed its staff to begin drafting a proposed ASU for a vote by written ballot. A proposed ASU is expected to be issued in the third quarter of 2016.
Conceptual framework: measurement	The objective of the conceptual framework project is "to develop an improved conceptual framework that provides a sound foundation for developing future accounting standards."	Beginning in 2014, the Board has deliberated measurement concepts, such as methods of determining initial carrying amounts of assets, liabilities, and equity. In addition, the Board has discussed concepts related to measuring changes in carrying amounts.
Consolidation: interests held through related parties that are under common control	The purpose of this project is to address how a single decision maker that is determining whether it should consolidate another entity "should treat indirect interests held by its related parties when the decision maker and its related parties are under common control."	On June 23, 2016, the FASB issued a proposed ASU that would "change the evaluation of whether a reporting entity is the primary beneficiary of a VIE by changing how a reporting entity that is a single decision maker of a VIE would treat indirect interests in the entity held through related parties that are under common control with the reporting entity." Comments on the proposed ASU are due by July 25, 2016. For more information, see Deloitte's June 27, 2016, journal entry.
Insurance: targeted improvements to the accounting for long-duration contracts	The purpose of this project is to "develop targeted improvements to insurance accounting. Those improvements may address recognition, measurement, presentation, and disclosure requirements for long-duration insurance contracts."	At its February 24, 2016, meeting, the Board tentatively decided to require insurers to separately present (1) the carrying amount of the liability for market risk benefits in the statement of financial position and (2) changes in the fair value of that liability (excluding changes in an entity's own credit) in the statement of operations. The FASB also tentatively approved proposed disclosure requirements related to (1) liabilities for future policy benefits, (2) policyholder account balances, (3) market risk benefits, (4) separate account liabilities, and (5) deferred acquisition costs. On March 23, 2016, the Board approved transition methods for the aforementioned disclosure requirements. The Board directed the staff to draft a proposed ASU for a vote by written ballot. The proposed ASU is expected to be issued during the third quarter of 2016. For more information, see Deloitte's November 20, 2014; February 19, 2015; July 24, 2015; September 17, 2015; October 29, 2015; November 20, 2015; February 26, 2016; and March 25, 2016, journal entries.
Liabilities and equity: targeted improvements	The purpose of this project is to "simplify the accounting guidance related to financial instruments with characteristics of liabilities and equity."	On September 16, 2015, the Board tentatively decided to replace (1) the existing guidance on "down round" features in ASC 815-40 with a new accounting model and (2) the indefinite deferrals in ASC 480-10 with scope exceptions that have the same applicability. The FASB expects to issue a proposed ASU in the third quarter of 2016. For more information, see Deloitte's September 17, 2015, journal entry.
Nonemployee share-based payment accounting improvements	The purpose of this project is "to reduce cost and complexity and improve the accounting for nonemployee share-based payment awards issued by public and private companies."	At its December 16, 2015, meeting, the FASB decided to add this project to its agenda. At its May 4, 2016, meeting, the Board tentatively decided to expand the scope of ASC 718 to include all share-based payment arrangements related to acquiring goods and services from nonemployees. At its June 15, 2016, meeting, the Board made tentative decisions about transition methods for applying the proposed guidance and disclosures. For more information, see Deloitte's December 16, 2015; May 4, 2016; and June 15, 2016, journal entries.

Private companies: applying variable interest entity guidance to entities under common control (PCC Issue 15-02)	The purpose of this project is to develop examples of situations in which entities under common control would apply variable interest entity guidance.	At its December 4, 2015, meeting, the PCC voted to add to its agenda a project to address concerns with the application of the VIE guidance to entities under common control that are not already addressed in ASC 810. For more information, see the PCC's December 4, 2015, agenda decision and April 12, 2016, media meeting recap.
Revenue recognition: grants and contracts by not-for-profit entities	The purpose of this project is to "improve and clarify existing guidance on revenue recognition of grants and contracts by not-for-profit entities."	At its April 20, 2016, meeting, the FASB decided to add this project to its technical agenda. Stakeholders raised two main issues: (1) characterizing grants and contracts with governmental agencies and others as (i) reciprocal transactions (exchanges) or (ii) nonreciprocal transactions (contributions) and (2) differentiating between conditions and restrictions for nonreciprocal transactions. At its June 15, 2016, meeting, the Board discussed the first of these issues and directed the staff to further explore an approach that would require not-for-profit entities to consider a grant (or similar contract) a reciprocal transaction in certain specified situations. The Board is expected to discuss this approach, as well as the second issue above (i.e., differentiating between conditions and restrictions for nonreciprocal transactions), at a future meeting. For more information, see Deloitte's June 16, 2016, journal entry.
Subsequent accounting for goodwill for public business entities and not-for-profit entities	The objective of this project is to "evaluate whether additional changes need to be made to the subsequent accounting for goodwill beyond any changes to the impairment test."	On October 28, 2015, the FASB decided on a phased approach that would simplify the accounting for goodwill for public business entities and not-for-profit entities. This is the second phase. (The purpose of the first phase is to simplify the goodwill impairment test.) The Board plans to continue discussions at a future Board meeting.
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."	On April 21, 2016, the FASB issued a proposed ASU that would make minor changes to the *FASB Accounting Standards Codification*. Comments on the proposed ASU were due by July 5, 2016.
Technical corrections and improvements: revenue from contracts with customers	The purpose of the technical corrections and improvements project is to "provide regular updates and improvements to the [Codification] based on feedback received from constituents."	On May 18, 2016, the Board issued a proposed ASU that would make minor changes to the Board's new revenue standard, ASU 2014-09. Comments on the proposal were due by July 2, 2016. For more information, see Deloitte's May 19, 2016, journal entry.
Presentation and Disclosure Projects		
Conceptual framework: presentation	The objective of the conceptual framework project is to develop an improved conceptual framework that provides a sound foundation for developing future accounting standards.	At its June 1, 2016, meeting, the Board tentatively decided to (1) focus on information about the components that make up the financial statements; (2) consider the form of settlement of a liability or realization of an asset with respect to grouping line items in the financial statements; (3) incorporate some of the discussion of central, peripheral, operating, and nonoperating from FASB Concepts Statement 5 into the proposed chapter; and (4) emphasize that the conceptual framework is not authoritative. The Board directed the staff to draft a proposed concepts statement for a vote by written ballot. The ED is expected to be issued in the third quarter of 2016.

Disclosure framework	The disclosure framework project consists of two phases: (1) the FASB's decision process and (2) the entity's decision process. The overall objective of the project is to "improve the effectiveness of disclosures in notes to financial statements by clearly communicating the information that is most important to users of each entity's financial statements. (Although reducing the volume of the notes to financial statements is not the primary focus, the Board hopes that a sharper focus on important information will result in reduced volume in most cases.)"	**FASB's Decision Process** On March 4, 2014, the FASB issued an ED of a proposed concepts statement that would add a new chapter to the Board's conceptual framework for financial reporting that contains a decision process for the Board and its staff to use in determining what disclosures should be required in notes to financial statements. Comments on the ED were due by July 14, 2014. For more information, see Deloitte's March 6, 2014, *Heads Up*. On September 24, 2015, the FASB issued an ED of proposed amendments to chapter 3 of Concepts Statement 8 that would add a statement that materiality is a legal concept and include a brief summary of the U.S. Supreme Court's definition of materiality. **Entity's Decision Process** On September 24, 2015, the FASB issued a proposed ASU that would amend the Codification to indicate that the omission of disclosures about immaterial information is not an accounting error. The proposal notes that materiality is a legal concept that should be applied to assess quantitative and qualitative disclosures individually and in the aggregate in the context of the financial statements taken as a whole. For more information, see Deloitte's September 28, 2015, *Heads Up*. At its March 2, 2016, meeting, the FASB discussed comments received on the proposed ASU. No decisions were made.
Disclosure framework: disclosure review — defined benefit plans	The purpose of this project is to improve the effectiveness of disclosure requirements that apply to defined benefit plans.	On January 26, 2016, the FASB issued a proposed ASU that would modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. Comments on the proposal were due by April 25, 2016. For more information, see Deloitte's January 28, 2016, *Heads Up*. At its March 2, 2016, meeting, the FASB discussed comments received on the proposed ASU. No decisions were made.
Disclosure framework: disclosure review — fair value measurement	The purpose of this project is to improve the effectiveness of fair value measurement disclosures.	On December 3, 2015, the FASB issued a proposed ASU that would modify the disclosure requirements related to fair value measurement. Comments were due by February 29, 2016. At its June 1, 2016, meeting, the FASB discussed comments received on its proposed ASU and directed its staff to reach out to investors and other financial statement users regarding the proposal. For more information, see Deloitte's December 8, 2015, *Heads Up*.

Disclosure framework: disclosure review — income taxes	The purpose of this project is to improve the effectiveness of income tax disclosures.	At its October 21, 2015, meeting, the FASB made tentative decisions regarding disclosure requirements related to (1) income taxes paid, (2) deferred income taxes, (3) valuation allowances, and (4) income tax rate reconciliations. At its March 23, 2016, meeting, the Board reversed certain prior decisions related to line item disclosure of deferred taxes and domestic income tax expense on foreign sourced earnings. The Board decided that private entities should not have to disclose certain information. The Board decided to require prospective transition for all income tax disclosures. At its June 16, 2016, meeting, the FASB revised prior decisions related to the disclosure of indefinitely reinvested earnings, operating losses, and tax credit carryforwards. The Board also tentatively decided to replace the term "public entity" with "public business entity" in ASC 740 and to require entities that receive government assistance that would reduce their tax burdens to provide certain disclosures. The Board asked its staff to draft a proposed ASU for a vote by written ballot. The proposed ASU is expected to be issued in the third quarter of 2016. For more information, see Deloitte's August 28, 2015; October 26, 2015; March 29, 2016; and June 16, 2016, journal entries.
Disclosure framework: interim reporting	The purpose of this project is to improve the effectiveness of interim disclosures.	At its May 28, 2014, meeting, the FASB decided to amend ASC 270 "to reflect that disclosures about matters required to be set forth in annual financial statements should be provided on an updated basis in the interim report if there is a substantial likelihood that the updated information would be viewed by a reasonable investor as significantly altering the 'total mix' of information available to the investor."
Disclosure framework: inventory	The purpose of this project is to improve the effectiveness of inventory disclosures.	On January 7, 2015, the FASB directed its staff "to begin pre-agenda research on a potential project related to disclosure requirements for [ASC] 705 and other Topics containing guidance on cost of sales or services when staff resources become available."
Employee benefit plan master trust reporting (EITF Issue 16-B)	The purpose of this project is to improve the presentation and disclosure guidance for employee benefit plans that have investments held in master trusts.	At its April 20, 2016, meeting, the FASB decided to add to its agenda a project on improving the presentation and disclosure guidance for employee benefit plans that have investments held in master trusts. The Board referred this project to the EITF. At its June 10, 2016, meeting, the Task Force discussed the presentation of master trust balances and activity on the face of the plan's financial statement; disclosures related to plans with divided interests; disclosure of investment-related accruals; Section 401(h) account investment disclosures; and consistency between ASC 960, ASC 962, and ASC 965. The Task Force also concluded that entities would be required to adopt the guidance retrospectively. The Task Force will discuss the effective date at a future meeting. FASB ratification was expected at the Board's June 29, 2016, meeting, after which a proposed ASU will be issued for public comment.

Financial statements of not-for-profit entities	The purpose of this project is to “reexamine existing standards for financial statement presentation by not-for-profit entities, focusing on improving: 1. Net asset classification requirements 2. Information provided in financial statements and notes about liquidity, financial performance, and cash flows.“	The FASB issued an ED on April 22, 2015, on which comments were due by August 20, 2015. On October 28, 2015, the FASB discussed feedback received on the ED and tentatively decided to split its redeliberations into two phases: (1) issues that do not depend on other projects and that the Board would consider finalizing in the near term and (2) proposed changes that the Board would most likely need more time to resolve. For more information, see Deloitte’s May 8, 2015, ***Heads Up***. On December 11, 2015, as part of the first phase of its project, the FASB made tentative decisions related to methods of presenting operating cash flows, the net asset classification scheme and related issues, and the provision of useful information for assessing liquidity. At its February 3, 2016, meeting, the FASB made tentative decisions related to (1) netting of external and direct internal investment expenses against investment return, (2) disclosure of netted investment expenses, (3) expenses by nature and analysis of expenses by function and nature, and (4) enhanced disclosures about cost allocations and improved guidance on management and general activities. At its March 2, 2016, meeting, the FASB made tentative decisions on (1) disclosures about operating measures and (2) information that can be used in the assessment of liquidity and resource availability. On March 24, 2016, the FASB decided to keep “the current requirement to report expenses by their functional classification either on the statement of activities or in the notes to the financial statements“ and concluded that all expenses (other than netted investment expenses) should be reported “by function and nature in one location.“ At its March 30, 2016, meeting, the FASB made tentative decisions about the transition provisions and effective date of its forthcoming standard. At its June 1, 2016, meeting, the FASB discussed issues identified during the drafting of the final ASU, including (1) presentation of the net investment return in the statement of activities, (2) inclusion of investment expenses that have been netted against investment return in the analysis of expenses by nature and function, and (3) disclosure of unrealized gains and losses related to equity securities. The final ASU is expected to be issued in the summer of 2016. For more information, see Deloitte’s December 18, 2015; March 25, 2016; and April 4, 2016, journal entries.

Government assistance disclosures	The purpose of this project is to "develop disclosure requirements about government assistance that improves the content, quality and comparability of financial information and financial statements and that is responsive to the emerging issues in the changing financial and economic environment in which reporting entities operate."	On November 12, 2015, the FASB issued a proposed ASU that would increase financial reporting transparency by requiring specific disclosures about government assistance received by businesses. The objective of the proposed disclosure requirements is to enable financial statement users to better assess (1) the nature of the government assistance, (2) the accounting policies for the government assistance, (3) the impact of the government assistance on the financial statements, and (4) the significant terms and conditions of the government assistance arrangements. Comments on the proposed ASU were due by February 10, 2016. At its June 8, 2016, meeting, the FASB made tentative decisions about the project's scope, whether to require disclosures about government assistance received but not recognized directly in the financial statements, and omission of information when restrictions preclude an entity from disclosing the information required. The Board will continue its redeliberations at a future meeting. For more information, see Deloitte's November 20, 2015, *Heads Up* and June 14, 2016, journal entry.
Improving the presentation of net periodic pension cost and net periodic postretirement benefit cost	The purpose of this project is to "simplify and improve the reporting of net periodic pension cost and net periodic postretirement benefit cost ('net benefit cost')."	On January 26, 2016, the FASB issued a proposed ASU that would require an entity to (1) disaggregate the current service cost component from the other components of net benefit cost and present it with other current compensation costs for the related employees in the income statement and (2) present the remaining components of net benefit cost elsewhere in the income statement and outside of income from operations, if such a subtotal is presented. In addition, the proposal would limit the portion of net benefit cost eligible for capitalization (e.g., as part of inventory or property, plant, and equipment) to the service cost component. Comments on the proposed ASU were due by April 25, 2016. For more information, see Deloitte's January 28, 2016, *Heads Up*.
Restricted cash (EITF Issue 16-A)	The purpose of this project is to clarify the classification and presentation of changes in restricted cash in the statement of cash flows.	At its March 3, 2016, meeting, the EITF reached a consensus-for-exposure that an entity would include, in its cash and cash-equivalent balances in the statement of cash flows, amounts that are classified as restricted cash and restricted cash equivalents. Further, the Task Force decided that an entity would be required to reconcile, either in the statement of cash flows or in the financial statement footnotes, the cash and cash-equivalent amounts in the statement of cash flows to the amounts in the statement of financial condition. In addition, an entity would be required to disclose the nature and types of restrictions on the amounts deemed to be restricted cash and restricted cash equivalents. The Task Force decided not to define restricted cash and restricted cash equivalents. The Task Force decided that the guidance would be applied retrospectively to all periods presented. On April 28, 2016, the FASB issued a proposed ASU in response to the EITF's consensus-for-exposure. Comments on the proposed ASU were due by June 27, 2016. For more information, see Deloitte's March 2016 *EITF Snapshot*.

Simplifying the balance sheet classification of debt	The purpose of this project is to "reduce cost and complexity by replacing the fact-pattern specific guidance in GAAP with a principle to classify debt as current or noncurrent based on the contractual terms of a debt arrangement and an entity's current compliance with debt covenants."	At its January 28, 2015, meeting, the FASB tentatively decided to propose a new, principles-oriented approach for classifying debt as either current or noncurrent in an entity's balance sheet. Further, the Board tentatively decided that an entity should classify debt as noncurrent when either or both of the following conditions are met: (1) the "liability is due to be settled more than 12 months (or beyond the operating cycle)" — whichever is greater — "after the reporting period" or (2) "the entity has a right to defer settlement of the liability for at least 12 months (or beyond its operating cycle [whichever is greater]) after the reporting period." The Board also decided that the meaning of "right to defer" would be based on contractual legal rights rather than on the intentions of the borrower or lender. The presentation assessment would be performed as of the reporting date. At its July 29, 2015, meeting, the FASB made tentative decisions related to scope, subjective acceleration clauses, waivers of debt covenant violations, recurring disclosures, and transition. In addition, the Board directed the staff to prepare a proposed ASU for a vote by written ballot. The FASB expects to publish the proposed ASU in the third quarter of 2016. For more information, see Deloitte's January 29, 2015, and July 30, 2015, journal entries.
Statement of cash flows: classification of certain cash receipts and cash payments (EITF Issue 15-F)	The purpose of this project is "to reduce diversity in practice in financial reporting by clarifying certain existing principles in [ASC 230]."	At its November 12, 2015, meeting, the EITF reached a consensus-for-exposure regarding the classification in the statement of cash flows of cash receipts and cash payments related to (1) debt prepayments or extinguishment costs, (2) settlement of zero-coupon bonds, (3) settlement of contingent consideration after a business combination, (4) proceeds from the settlement of insurance claims, (5) proceeds from the settlement of corporate-owned life insurance policies, (6) distributions from equity method investees, and (7) payments on a transferor's beneficial interests in securitized trade receivables. The EITF also reached a consensus-for-exposure to provide additional application guidance on the classification of cash flows. On January 29, 2016, the FASB issued an ED based on this consensus-for-exposure. Comments were due by March 29, 2016. At its June 10, 2016, meeting, the Task Force discussed stakeholder feedback on the proposed ASU, reaffirming the consensus-for-exposure related to the following five subissues and making minor revisions when applicable: (1) debt prepayment or extinguishment costs, (2) proceeds from the settlement of insurance claims, (3) proceeds from the settlement of corporate-owned life insurance policies, (4) beneficial interests in securitization transactions, and (5) application of the predominance principle. However, the Task Force changed its previous decisions or engaged in more significant debate on the following three subissues: (1) settlement of zero-coupon bonds, (2) contingent consideration payments made after a business combination, and (3) distributions received from equity method investees. In addition, the Task Force confirmed the effective date and transition guidance. FASB ratification was expected at the Board's June 29, 2016, meeting, after which a final ASU will be issued. For more information, see Deloitte's June 2015, September 2015, November 2015, and June 2016 *EITF Snapshot* newsletters.

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
Final Guidance		
ASU 2016-13, *Measurement of Credit Losses on Financial Instruments* (issued June 16, 2016)	Entities holding financial assets and net investments in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash.	For public business entities that are SEC filers, the amendments in the ASU are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, including not-for-profit entities and employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, the amendments in the ASU are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.
ASU 2016-12, *Revenue From Contracts With Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* (issued May 9, 2016)	All entities.	See status column for ASU 2014-09 below.
ASU 2016-11, *Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting* (issued May 2, 2016)	All entities.	Effective at the same time as ASU 2014-09 and ASU 2014-16.
ASU 2016-10, *Identifying Performance Obligations and Licensing* (issued April 14, 2016)	All entities.	See status column for ASU 2014-09 below.
ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting* (issued March 30, 2016)	Entities that issue share-based payment awards to their employees.	For public business entities, the amendments in the ASU are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. For all other entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period.
ASU 2016-08, *Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)* (issued March 17, 2016)	All entities.	See status column for ASU 2014-09 below.
ASU 2016-07, *Simplifying the Transition to the Equity Method of Accounting* (issued March 15, 2016)	Entities that have an investment that becomes qualified for the equity method of accounting as a result of an increase in the level of ownership interest or degree of influence.	All entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the adoption of the equity method. Early adoption is permitted.

ASU 2016-06, *Contingent Put and Call Options in Debt Instruments* — a consensus of the FASB Emerging Issues Task Force (issued March 14, 2016)	Entities that are issuers of or investors in debt instruments (or hybrid financial instruments that are determined to have a debt host) with embedded call (put) options.	For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period.
ASU 2016-05, *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships* — a consensus of the FASB Emerging Issues Task Force (issued March 10, 2016)	Reporting entities for which there is a change in the counterparty to a derivative instrument that has been designated as a hedging instrument under ASC 815.	For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period.
ASU 2016-04, *Recognition of Breakage for Certain Prepaid Stored-Value Products* — a consensus of the FASB Emerging Issues Task Force (issued March 8, 2016)	Entities that offer certain prepaid stored value products (e.g., prepaid gift cards issued on a specific payment network and redeemable at network-accepting merchant locations, prepaid telecommunication cards, and traveler's checks).	Effective for public business entities, certain not-for-profit entities, and certain employee benefit plans for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early application is permitted, including adoption in an interim period.
ASU 2016-03, *Intangibles — Goodwill and Other (Topic 350); Business Combinations (Topic 805); Consolidation (Topic 810); and Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance* — a consensus of the Private Company Council (issued March 7, 2016)	Private entities.	Effective upon issuance.
ASU 2016-02, *Leases* (issued February 25, 2016)	All entities.	Effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, for any of the following: Public business entities. Not-for-profit entities that have issued, or are a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market. Employee benefit plans that file financial statements with the SEC. For all other entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early application of the amendments in the ASU is permitted for all entities.

ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* (issued January 5, 2016)	Entities that hold financial assets or owe financial liabilities.	For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For all other entities, including not-for-profit entities and employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, the amendments in the ASU are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. All entities that are not public business entities may adopt the amendments in the ASU earlier as of the fiscal years beginning after December 15, 2017, including interim periods within those fiscal years.
ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* (issued November 20, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the amendments in the ASU are effective for financial statements issued for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early application is permitted for all entities as of the beginning of an interim or annual reporting period.
ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments* (issued September 25, 2015)	Entities that have reported provisional amounts for items in a business combination for which the accounting is incomplete by the end of the reporting period in which the combination occurs and during the measurement period have an adjustment to provisional amounts recognized.	For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The amendments in the ASU should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the ASU; early adoption is permitted for financial statements that have not been issued. For all other entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments in the ASU should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the ASU; early adoption is permitted for financial statements that have not yet been made available for issuance.
ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated With Line-of-Credit Arrangements: Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting* (issued August 18, 2015)	SEC registrants.	Effective upon issuance.
ASU 2015-14, *Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date* (issued August 12, 2015)	All entities.	See status column for ASU 2014-09 below.
ASU 2015-13, *Application of the Normal Purchases and Normal Sales Scope Exception to Certain Electricity Contracts Within Nodal Energy Markets* — a consensus of the FASB Emerging Issues Task Force (issued August 10, 2015)	All entities.	The amendments in the ASU are effective upon issuance and should be applied prospectively. Therefore, an entity will be able to designate, on or after the date of issuance, any qualifying contracts as normal purchases or normal sales.

ASU 2015-12, *(Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient* — consensuses of the FASB Emerging Issues Task Force (issued July 31, 2015)	Applies only to reporting entities within the scope of ASC 962 and ASC 965 that classify investments as fully benefit-responsive investment contracts.	Effective for fiscal years beginning after December 15, 2015. Parts I and II of the ASU should be applied retrospectively to all periods presented. Part III of the ASU should be applied prospectively. Earlier application is permitted.
ASU 2015-11, *Simplifying the Measurement of Inventory* (issued July 22, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments in the ASU should be applied prospectively, with earlier application permitted as of the beginning of an interim or annual reporting period.
ASU 2015-10, *Technical Corrections and Improvements* (issued June 12, 2015)	All entities.	Amendments requiring transition guidance are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. All other amendments became effective upon issuance of the ASU.
ASU 2015-09, *Disclosures About Short-Duration Contracts* (issued May 21, 2015)	All insurance entities that issue short-duration contracts as defined in ASC 944. The amendments do not apply to the holder (i.e., policyholder) of short-duration contracts.	For public business entities, the amendments in the ASU are effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016. For all other entities, the amendments in the ASU are effective for annual periods beginning after December 15, 2016, and interim periods within annual periods beginning after December 15, 2017. Early application is permitted.
ASU 2015-08, *Pushdown Accounting: Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115* (issued May 8, 2015)	All entities.	Effective upon issuance.
ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* — a consensus of the FASB Emerging Issues Task Force (issued May 1, 2015)	All entities.	For public companies, the guidance in the ASU is effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. The effective date will be deferred by one year for private companies. Early adoption is permitted. The ASU should be applied retrospectively to all periods presented.
ASU 2015-06, *Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions* — a consensus of the FASB Emerging Issues Task Force (issued April 30, 2015)	All entities.	Effective for fiscal years beginning after December 15, 2015, including interim periods within those fiscal years. Early adoption is permitted. The ASU should be applied retrospectively to all financial statements presented.
ASU 2015-05, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* (issued April 15, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. For all other entities, the amendments are effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016. Early adoption is permitted for all entities.

ASU 2015-04, *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets* (issued April 15, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early application is permitted.
ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (issued April 7, 2015)	All entities.	For public business entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments in the ASU are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted for financial statements that have not been previously issued.
ASU 2015-02, *Amendments to the Consolidation Analysis* (issued February 18, 2015)	Entities that are required to evaluate whether they should consolidate certain legal entities.	For public business entities, the amendments in the ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption, including adoption in an interim period, is permitted.
ASU 2015-01, *Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items* (issued January 9, 2015)	All entities.	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption.
ASU 2014-18, *Accounting for Identifiable Intangible Assets in a Business Combination* — a consensus of the Private Company Council (issued December 23, 2014)	All entities except public business entities and not-for-profit entities, as those terms are defined in the Codification Master Glossary.	The effective date depends on the timing of the first in-scope transaction. If the first in-scope transaction occurs in the first fiscal year beginning after December 15, 2015, the elective adoption will be effective for that fiscal year's annual financial reporting and all interim and annual periods thereafter. If the first in-scope transaction occurs in fiscal years beginning after December 15, 2016, the elective adoption will be effective in the interim period that includes the date of that transaction and subsequent interim and annual periods thereafter. Early application is permitted for any interim and annual financial statements that have not yet been made available for issuance.

ASU 2014-16, *Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity* — a consensus of the FASB Emerging Issues Task Force (issued November 3, 2014)	Entities that are issuers of, or investors in, hybrid financial instruments that are issued in the form of a share.	For public business entities, the amendments in the ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption, including adoption in an interim period, is permitted.
ASU 2014-15, *Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern* (issued August 27, 2014)	All entities.	Effective for annual periods ending after December 15, 2016, and interim periods thereafter. Early adoption is permitted.
ASU 2014-14, *Classification of Certain Government-Guaranteed Mortgage Loans Upon Foreclosure* — a consensus of the FASB Emerging Issues Task Force (issued August 8, 2014)	Creditors that hold government-guaranteed mortgage loans, including those guaranteed by the Federal Housing Administration and the U.S. Department of Veterans Affairs.	For public business entities, the amendments in the ASU are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For all other entities, the amendments are effective for annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Early adoption, including adoption in an interim period, is permitted if the entity already has adopted ASU 2014-04.
ASU 2014-13, *Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity* — a consensus of the FASB Emerging Issues Task Force (issued August 5, 2014)	A reporting entity that is required to consolidate a collateralized financing entity under the variable interest entities subsections of ASC 810-10 when (1) the reporting entity measures all of the financial assets and the financial liabilities of that consolidated collateralized financing entity at fair value in the consolidated financial statements on the basis of other Codification topics and (2) the changes in the fair values of those financial assets and financial liabilities are reflected in earnings.	For public business entities, the amendments in the ASU are effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. For all other entities, the amendments are effective for annual periods ending after December 15, 2016, and interim periods beginning after December 15, 2016. Early adoption is permitted as of the beginning of an annual period.
ASU 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period* — a consensus of the FASB Emerging Issues Task Force (issued June 19, 2014)	Reporting entities that grant their employees share-based payments in which the terms of the award stipulate that a performance target that affects vesting could be achieved after the requisite service period.	Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted. The effective date for public business entities is the same as that for all other entities.

ASU 2014-10, *Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* (issued June 10, 2014)	Development-stage entities under U.S. GAAP, and reporting entities that may hold an interest in an entity that is a development-stage entity.	For public entities, the ASU is effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. For other entities, the ASU is effective for annual reporting periods beginning after December 15, 2014, and interim reporting periods beginning after December 15, 2015. For public business entities, the amendment eliminating the exception to the sufficiency-of-equity-at-risk criterion for development-stage entities in ASC 810-10-15-16 should be applied retrospectively for annual reporting periods beginning after December 15, 2015, and interim periods therein. For all other entities, the amendments to ASC 810 should be applied retrospectively for annual reporting periods beginning after December 15, 2016, and interim reporting periods beginning after December 15, 2017. Early application is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been made available for issuance.
ASU 2014-09, *Revenue From Contracts With Customers* (issued May 28, 2014; effective date amended by ASU 2015-14, which was issued August 12, 2015)	All entities.	For public business entities, certain not-for-profit entities, and certain employee benefit plans, the ASU is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early application is permitted only as of annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016. For all other entities, the ASU is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. All other entities may apply the ASU early as of an annual reporting period beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities also may apply the guidance in the ASU early as of an annual reporting period beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the annual reporting period in which the entity first applies the guidance in the ASU.
ASU 2014-07, *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements* — a consensus of the Private Company Council (issued March 20, 2014)	All entities other than public business entities, not-for-profit entities, or employee benefit plans within the scope of ASC 960 through ASC 965.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which an entity's annual or interim financial statements have not yet been made available for issuance.

ASU 2014-05, *Service Concession Arrangements* — a consensus of the FASB Emerging Issues Task Force (issued January 23, 2014)	Operating entities in a service concession arrangement entered into with a public-sector entity grantor when the grantor (1) controls or has the ability to modify or approve the services that the operating entity must provide with the infrastructure, to whom it must provide them, and at what price and (2) controls, through ownership, beneficial entitlement, or otherwise, any residual interest in the infrastructure at the end of the term of the arrangement.	For public business entities, the ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For entities other than public business entities, the ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. The ASU should be applied on a modified retrospective basis to service concession arrangements that exist at the beginning of an entity's fiscal year of adoption.
ASU 2014-04, *Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure* — a consensus of the FASB Emerging Issues Task Force (issued January 17, 2014)	Creditors who obtain physical possession (resulting from an in-substance repossession or foreclosure) of residential real estate property collateralizing a consumer mortgage loan in satisfaction of a receivable.	For public business entities, the ASU is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. For entities other than public business entities, the ASU is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015.
ASU 2014-03, *Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps — Simplified Hedge Accounting Approach* — a consensus of the Private Company Council (issued January 16, 2014)	All entities except (1) public business entities and not-for-profit entities as defined in the Master Glossary of the *FASB Accounting Standards Codification*, (2) employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, and (3) financial institutions.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015, with early adoption permitted. Private companies have the option of applying the amendments in this ASU by using either a modified retrospective approach or a full retrospective approach. Early application is permitted for any period for which the entity's financial statements have not yet been made available for issuance.
ASU 2014-02, *Accounting for Goodwill* — a consensus of the Private Company Council (issued January 16, 2014)	All entities except (1) public business entities and not-for-profit entities as defined in the Master Glossary of the *FASB Accounting Standards Codification* and (2) employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting.	The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and new goodwill recognized in annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity's annual or interim financial statements have not yet been made available for issuance.
ASU 2014-01, *Accounting for Investments in Qualified Affordable Housing Projects* — a consensus of the FASB Emerging Issues Task Force (issued January 15, 2014)	For reporting entities that meet the conditions for, and elect to use, the proportional-amortization method to account for investments in qualified affordable housing projects, all amendments in this ASU apply. For reporting entities that do not meet the conditions or do not elect the proportional-amortization method, only the disclosure-related amendments in this ASU apply.	The amendments in this ASU are effective for public business entities for annual periods, and interim reporting periods within those annual periods, beginning after December 15, 2014. For all entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2014, and interim periods within annual reporting periods beginning after December 15, 2015. Early adoption is permitted. The amendments in this ASU should be applied retrospectively to all periods presented.

Projects in Request-for-Comment Stage		
Proposed ASU, *Technical Corrections and Improvements to Update 2014-09,* Revenue From Contracts With Customers (issued May 18, 2016)	All entities.	Comments due July 2, 2016.
Proposed ASU, *Technical Corrections and Improvements* (issued April 21, 2016)	All entities.	Comments due July 5, 2016.
Proposed ASU, *Simplifying the Accounting for Goodwill Impairment* (issued May 12, 2016)	All entities.	Comments due July 11, 2016.
Proposed ASU, *Interests Held Through Related Parties That Are Under Common Control* (issued June 23, 2016)	All entities.	Comments due July 25, 2016.
Proposed ASU, *Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets* (issued June 6, 2016)	All entities.	Comments due August 5, 2016.

AICPA	Affects	Status
Final Guidance		
SAS 131, *Amendment to Statement on Auditing Standards No. 122 Section 700*, Forming an Opinion and Reporting on Financial Statements (issued January 2016)	Auditors.	Effective for financial statement audits for periods ending on or after June 15, 2016.
SAS 130, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements* (issued October 28, 2015)	Auditors that perform integrated audits.	Effective for integrated audits for periods ending on or after December 15, 2016.
SSARS 21, *Statements on Standards for Accounting and Review Services: Clarification and Recodification* (issued October 23, 2014)	Entities that perform accounting and review services.	Effective for reviews, compilations, and engagements to prepare financial statements for periods ending on or after December 15, 2015.
Projects in Request-for-Comment Stage		
Exposure Draft, *Hosting Services* (issued May 16, 2016)	AICPA members that provide hosting services.	Comments due July 18, 2016.
Exposure Draft, *Audit Data Standard — Inventory Subledger Standard* (issued May 16, 2016)	Auditors.	Comments due August 15, 2016.

SEC	Affects	Status
Final Guidance		
Final Rule, *Disclosure of Payments by Resource Extraction Issuers* (34-78167) (issued June 27, 2016)	SEC registrants.	Effective 60 days after publication in the *Federal Register*.
Final Rule, *Asset-Backed Securities Disclosure and Registration* (33-10099) (issued June 16, 2016)	SEC registrants.	Effective upon publication in the *Federal Register*.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-10095) (issued June 13, 2016)	SEC registrants.	Effective upon publication in the *Federal Register*.

Final Rule, *Trade Acknowledgment and Verification of Security-Based Swap Transactions* (34-78011) (issued June 8, 2016)	SEC registrants.	Effective August 16, 2016.
Final Rule, *Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act* (33-10075) (issued May 3, 2016)	SEC registrants.	Effective June 9, 2016.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-10071) (issued April 22, 2016)	SEC registrants.	Effective May 19, 2016.
Final Rule, *Business Conduct Standards for Security-Based Swap Dealers and Major Security-Based Swap Participants; Correction* (34-77617 and 34-77617A) (issued April 14, 2016)	Registered security-based swap dealers and registered major security-based swap participants.	Effective July 12, 2016.
Final Rule, *Security-Based Swap Transactions Connected With a Non-U.S. Person's Dealing Activity That Are Arranged, Negotiated, or Executed by Personnel Located in a U.S. Branch or Office or in a U.S. Branch or Office of an Agent; Security-Based Swap Dealer De Minimis Exception* (34-77104) (issued February 10, 2016)	SEC registrants.	Effective April 19, 2016. Entities must comply with the final rule by the later of (1) February 21, 2017, or (2) the SBS entity counting date, as defined in Section VII of the supplementary information.
Final Rule, *Regulation Systems Compliance and Integrity; Correction* (34-73639A) (issued December 22, 2015)	SEC registrants.	Effective December 30, 2015.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9987) (issued December 11, 2015)	SEC registrants.	Effective January 4, 2016.
Final Rule, *Crowdfunding* (33-9974) (issued October 30, 2015)	SEC registrants.	The final rules and forms are effective May 16, 2016, except that instruction 3 adding part 227 and instruction 14 amending Form ID are effective January 29, 2016.
Final Rule, *Removal of Certain References to Credit Ratings and Amendment to the Issuer Diversification Requirement in the Money Market Fund Rule* (IC-31828) (issued September 16, 2015)	SEC registrants.	Effective October 26, 2015; entities must comply with the final rule by October 14, 2016.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9911) (issued September 15, 2015)	SEC registrants.	Effective October 2, 2015.
Final Rule, *Designation of the Financial Industry Regulatory Authority to Administer Professional Qualification Tests for Associated Persons of Registered Municipal Advisors* (34-75714) (issued August 17, 2015)	SEC registrants.	Effective August 17, 2015.
Final Rule, *Registration Process for Security-Based Swap Dealers and Major Security-Based Swap Participants* (34-75611) (issued August 5, 2015)	Registered security-based swap dealers and registered major security-based swap participants.	Effective October 13, 2015.
Final Rule, *Pay Ratio Disclosure* (33-9877) (issued August 5, 2015)	SEC registrants.	Effective for the first fiscal year beginning on or after January 1, 2017.

Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9874) (issued August 3, 2015)	SEC registrants.	Effective August 24, 2015.
Final Rule, *Freedom of Information Act Regulations: Fee Schedule, Addition of Appeals Time Frame, and Miscellaneous Administrative Changes* (34-75388) (issued July 8, 2015)	SEC registrants.	Effective August 14, 2015.
Final Rule, *Adoption of Updated EDGAR Filer Manual* (33-9849) (issued June 18, 2015)	SEC registrants.	Effective June 29, 2015.
Final Rule, *Amendments to Regulation A* (33-9741) (issued March 25, 2015)	SEC registrants.	Effective June 19, 2015.
Final Rule, *Credit Risk Retention* (34-73407) (issued October 22, 2014)	SEC registrants.	Effective February 23, 2015. Compliance with the rule with respect to asset-backed securities collateralized by residential mortgages is required beginning December 24, 2015. Compliance with the rule with regard to all other classes of asset-backed securities is required beginning December 24, 2016.
Final Rule, *Nationally Recognized Statistical Rating Organizations* (34-72936) (issued August 27, 2014)	Nationally recognized statistical rating organizations.	Effective November 14, 2014, except that the amendments to Sections 240.17g-3(a)(7) and (b)(2) and Form NRSRO become effective on January 1, 2015, and the amendments to Sections 240.17g-2(a)(9), (b)(13), (b)(14), and (b)(15); 240.17g-5(a)(3)(iii)(E), (c)(6), (c)(7), and (c)(8); 240.17g-7(a) and (b); and Form ABS-15G become effective on June 15, 2015.
Interim Final Rule, *Simplification of Disclosure Requirements for Emerging Growth Companies and Forward Incorporation by Reference on Form S-1 for Smaller Reporting Companies* (33-10003) (issued January 13, 2016)	SEC registrants.	Effective January 19, 2016.
Interim Final Temporary Rule, *Extension of Exemptions for Security-Based Swaps* (33-9545) (issued February 5, 2014)	SEC registrants.	Effective February 10, 2014. The expiration dates in Interim Final Rule 240 under the Securities Act of 1933, Interim Final Rules 12a-11 and 12h-1(i) under the Securities Exchange Act of 1934, and Interim Final Rule 4d-12 under the Trust Indenture Act will be extended to February 11, 2017.
Final Interpretation, *Interpretation of the SEC's Whistleblower Rules Under Section 21F of the Securities Exchange Act of 1934* (34-75592) (issued August 4, 2015)	SEC registrants.	Effective August 10, 2015.
Final Interpretation, *Commission Guidance Regarding the Definition of the Terms "Spouse" and "Marriage" Following the Supreme Court's Decision in United States v. Windsor* (33-9850) (issued June 19, 2015)	SEC registrants.	Effective July 1, 2015.
Projects in Request-for-Comment Stage		
Interim Final Rule, *Form 10-K Summary* (34-77969) (issued June 1, 2016)	SEC registrants.	Effective June 9, 2016. Comments due July 11, 2016.
Concept Release, *Business and Financial Disclosure Required by Regulation S-K* (33-10064) (issued April 13, 2016)	SEC registrants.	Comments due July 21, 2016.

Proposed Rule, *Incentive-Based Compensation Arrangements* (34-77776) (issued May 6, 2016)	SEC registrants.	Comments due July 22, 2016.
Proposed Rule, *Modernization of Property Disclosures for Mining Registrants* (33-10098) (issued June 16, 2016)	SEC registrants.	Comments due August 26, 2016.
Proposed Rule, *Amendments to Smaller Reporting Company Definition* (33-10107) (issued June 27, 2016)	SEC registrants.	Comments due 60 days after the date of publication in the *Federal Register*.
Proposed Rule, *Adviser Business Continuity and Transition Plans* (IA-4439) (issued June 28, 2016)	SEC-registered investment advisers.	Comments due 60 days after the date of publication in the *Federal Register*.

PCAOB	Affects	Status
Final Guidance		
Release No. 2015-002, *Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Standards and Rules* (issued March 31, 2015)	Auditors of public entities.	Effective December 31, 2016. Auditors may use and reference the reorganized standards before the effective date, since the amendments do not substantively change the standards' requirements.
Release No. 2015-008, *Improving the Transparency of Audits: Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form and Related Amendments to Auditing Standards* (issued December 15, 2015 and approved by the SEC on May 9, 2016)	Auditors of public entities.	Form AP disclosure regarding the engagement partner will be required for audit reports issued on or after January 31, 2017. Disclosure regarding other accounting firms will be required for audit reports issued on or after June 30, 2017.
Projects in Request-for-Comment Stage		
Request for Comment, *Review of AS No. 7,* Engagement Quality Review (issued April 6, 2016)	Auditors of public entities.	Comments due July 5, 2016.
Proposal, *Proposed Amendments Relating to the Supervision of Audits Involving Other Auditors and Proposed Auditing Standard — Dividing Responsibility for the Audit With Another Accounting Firm* (issued April 12, 2016)	Auditors of public entities.	Comments due July 29, 2016.
Reproposed Auditing Standard, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion, and Related Amendments to PCAOB Standards* (issued May 11, 2016)	Auditors of public entities.	Comments due August 15, 2016.

GASB	Affects	Status
Final Guidance		
Statement 82, *Pension Issues* — an amendment of GASB Statements No. 67, No. 68, and No. 73 (issued April 11, 2016)	Governmental entities.	Effective for reporting periods beginning after June 15, 2016, except for the requirements for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Early application is encouraged.

Statement 81, *Irrevocable Split-Interest Agreements* (issued March 29, 2016)	Governmental entities.	Effective for periods beginning after December 15, 2016. Early application is encouraged.
Implementation Guide No. 2016-1, *Implementation Guidance Update — 2016* (issued March 24, 2016)	Governmental entities.	Effective for reporting periods beginning after June 15, 2016.
Statement 80, *Blending Requirements for Certain Component Units* — an amendment of GASB Statement No. 14 (issued February 11, 2016)	Governmental entities.	Effective for reporting periods beginning after June 15, 2016. Early application is encouraged.
Statement 79, *Certain External Investment Pools and Pool Participants* (issued December 23, 2015)	Governmental entities.	Effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. Early application is encouraged.
Statement 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* (issued December 11, 2015)	Governmental entities.	Effective for reporting periods beginning after December 15, 2015. Early application is encouraged.
Statement 77, *Tax Abatement Disclosures* (issued August 14, 2015)	Governmental entities.	Effective for financial statements for periods beginning after December 15, 2015. Early application is encouraged.
Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (issued June 29, 2015)	Governmental entities.	Effective for fiscal years beginning after June 15, 2017. Early application is encouraged.
Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (issued June 29, 2015)	Governmental entities.	Effective for financial statements for fiscal years beginning after June 15, 2016. Early application is encouraged.
Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (issued June 29, 2015)	Governmental entities.	For employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, the Statement is effective for fiscal years beginning after June 15, 2016. For assets accumulated to provide those pensions, the Statement is effective for fiscal years beginning after June 15, 2015. For pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68, the Statement is effective for fiscal years beginning after June 15, 2015. Early application is encouraged.

FASAB	**Affects**	**Status**
Final Guidance		
Statement 49, *Public-Private Partnerships Disclosure Requirements* (issued April 27, 2016)	U.S. federal government entities.	Effective for periods beginning after September 30, 2018. Early adoption is permitted.
Statement 48, *Opening Balances for Inventory, Operating Materials and Supplies, and Stockpile Materials* (issued January 27, 2016)	U.S. federal government entities.	Effective for periods beginning after September 30, 2016. Early implementation is encouraged.
Technical Release 16, *Implementation Guidance for Internal Use Software* (issued January 19, 2016)	U.S. federal government entities.	Effective upon issuance.

Statement 47, *Reporting Entity* (issued December 23, 2014)	U.S. federal government entities.	Effective for periods beginning after September 30, 2017. Earlier application is prohibited.
Project in Request-for-Comment Stage		
Exposure Draft, *Tax Expenditures — Management's Discussion and Analysis and Disclosure Requirements* (issued June 2, 2016)	U.S. federal government entities.	Comments due by September 15, 2016.

IASB/IFRIC	Affects	Status
Final Guidance		
Classification and Measurement of Share-Based Payment Transactions — amendments to IFRS 2 (issued June 20, 2016)	Entities reporting under IFRSs.	The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. If an entity applies the amendments for an earlier period, it must disclose that fact.
Clarifications to IFRS 15 (issued April 12, 2016)	Entities reporting under IFRSs.	Effective for annual reporting periods beginning on or after January 1, 2018, which is the same effective date as that of IFRS 15. Earlier application is permitted.
Disclosure Initiative — amendments to IAS 7 (issued January 29, 2016)	Entities reporting under IFRSs.	The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. Because the amendments are being issued less than one year before the effective date, entities need not provide comparative information when they first apply the amendments.
Recognition of Deferred Tax Assets for Unrealised Losses — amendments to IAS 12 (issued January 19, 2016)	Entities reporting under IFRSs.	The amendments are effective for annual periods beginning on or after January 1, 2017; earlier application is permitted. As transition relief, an entity may recognize the change in the opening equity for the earliest comparative period in opening retained earnings on initial application without allocating the change between opening retained earnings and other components of equity.
IFRS 16, *Leases* (issued January 12, 2016)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, *Revenue From Contracts With Customers*, on or before the date of initial application of IFRS 16.
Effective Date of Amendments to IFRS 10 and IAS 28 (issued December 17, 2015)	Entities reporting under IFRSs.	The effective date of the September 2014 amendments to IFRS 10 and IAS 28 is deferred until "a date to be determined by the IASB." The amendments should be applied prospectively.
2015 Amendments to the IFRS for SMEs (issued May 21, 2015)	Small and medium-sized entities reporting under IFRSs.	Effective January 1, 2017.
Disclosure Initiative — amendments to IAS 1 (issued December 18, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. Entities are not required to disclose the information required by paragraphs 28–30 of IAS 8 in relation to these amendments.
Investment Entities: Applying the Consolidation Exception — amendments to IFRS 10, IFRS 12 and IAS 28 (issued December 18, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. If an entity applies those amendments for an earlier period, it must disclose that fact.

Annual Improvements to IFRSs: 2012–2014 Cycle (issued September 25, 2014)	Entities reporting under IFRSs.	Varies for each IFRS affected.
Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture — amendments to IFRS 10 and IAS 28 (issued September 11, 2014)	Entities reporting under IFRSs.	The effective date has been deferred until a "date to be determined by the IASB."
Equity Method in Separate Financial Statements — amendments to IAS 27 (issued August 12, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. An entity must apply the amendments retrospectively in accordance with IAS 8. Earlier application is permitted. If an entity applies the amendments to an earlier period, it must disclose that fact.
IFRS 9, *Financial Instruments* (issued July 24, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
Agriculture: Bearer Plants — amendments to IAS 16 and IAS 41 (issued June 30, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IFRS 15, *Revenue From Contracts With Customers* (issued May 28, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.
Clarification of Acceptable Methods of Depreciation and Amortisation — amendments to IAS 16 and IAS 38 (issued May 12, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
Accounting for Acquisitions of Interests in Joint Operations — amendments to IFRS 11 (issued May 6, 2014)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted.
IFRS 14, *Regulatory Deferral Accounts* (issued January 30, 2014)	Entities reporting under IFRSs.	Effective January 1, 2016. Earlier application is permitted.
Projects in Request-for-Comment Stage		
Exposure Draft, *Trustees' Review of Structure and Effectiveness: Proposed Amendments to the IFRS Foundation Constitution* (issued June 10, 2016)	Entities reporting under IFRSs.	Comments due September 15, 2016.
Exposure Draft ED/2016/1, *Definition of a Business and Accounting for Previously Held Interests* — proposed amendments to IFRS 3 and IFRS 11 (issued June 28, 2016)	Entities reporting under IFRSs.	Comments due October 31, 2016.

Appendix C: Glossary of Standards and Other Literature

FASB Accounting Standards Update No. 2016-13, *Measurement of Credit Losses on Financial Instruments*

FASB Accounting Standards Update No. 2016-12, *Revenue From Contracts With Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*

FASB Accounting Standards Update No. 2016-11, *Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting (SEC Update)*

FASB Accounting Standards Update No. 2016-10, *Identifying Performance Obligations and Licensing*

FASB Accounting Standards Update No. 2016-08, *Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)*

FASB Accounting Standards Update No. 2016-02, *Leases*

FASB Accounting Standards Update No. 2014-16, *Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity* — a consensus of the FASB Emerging Issues Task Force

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

FASB Proposed Accounting Standards Update, *Interests Held Through Related Parties That Are Under Common Control*

FASB Proposed Accounting Standards Update, *Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*

FASB Proposed Accounting Standards Update, *Simplifying the Accounting for Goodwill Impairment*

FASB Proposed Accounting Standards Update, *Clarifying the Definition of a Business*

FASB Proposed Accounting Standards Update, *Technical Corrections and Improvements to Update No. 2014-09*, Revenue From Contracts With Customers

FASB Proposed Accounting Standards Update, *Restricted Cash* — a consensus of the FASB Emerging Issues Task Force

FASB Proposed Accounting Standards Update, *Technical Corrections and Improvements*

FASB Accounting Standards Codification Topic 932, *Extractive Activities — Oil and Gas*

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

FASB Accounting Standards Codification Topic 610-20, *Other Income: Gains and Losses From the Derecognition of Nonfinancial Assets*

FASB Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers*

FASB Accounting Standards Codification Topic 605, *Revenue Recognition*

FASB Accounting Standards Codification Subtopic 326-30, *Financial Instruments — Credit Losses: Available-for-Sale Debt Securities*

FASB Accounting Standards Codification Topic 320, *Investments — Debt and Equity Securities*

FASB Accounting Standards Codification Topic 250, *Accounting Changes and Error Corrections*

FASB Accounting Standards Codification Topic 230, *Statement of Cash Flows*

FAF Annual Report, *Serving the Financial Statement User*

AICPA Statement on Standards for Attestation Engagements No. 18, *Attestation Standards: Clarification and Recodification*

AICPA Exposure Draft, *Audit Data Standard — Inventory Subledger Standard*

AICPA Exposure Draft, *Hosting Services*

SEC Regulation S-K, Item 302, "Supplementary Financial Information"

SEC Final Rule Release No. 34-78167, *Disclosure of Payments by Resource Extraction Issuers*

SEC Final Rule Release No. 34-78011, *Trade Acknowledgment and Verification of Security-Based Swap Transactions*

SEC Final Rule Release No. 34-77617, *Business Conduct Standards for Security-Based Swap Dealers and Major Security-Based Swap Participants*

SEC Final Rule Release No. 33-10075, *Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act*

SEC Final Rule Release No. 33-10071, *Adoption of Updated EDGAR Filer Manual*

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

SEC Concept Release No. 33-10064, *Business and Financial Disclosure Required by Regulation S-K*

SEC Release No. 34-78041, *Order Granting Limited and Conditional Exemption Under Section 36(a) of the Securities Exchange Act of 1934 From Compliance With Interactive Data File Exhibit Requirement in Forms 6-K, 8-K, 10-Q, 10-K, 20-F and 40-F to Facilitate Inline Filing of Tagged Financial Data*

SEC Release No. 34-77969, *Form 10-K Summary*

SEC Release No. 34-77787, *Public Company Accounting Oversight Board; Order Granting Approval of Proposed Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form and Related Amendments to Auditing Standards*

SEC Release No. 34-77558, *Public Company Accounting Oversight Board; Notice of Filing of Proposed Amendments to Board Rules Relating to Inspections*

SEC Proposed Rule Release No. 33-10107, *Amendments to Smaller Reporting Company Definition*

SEC Proposed Rule Release No. 33-10098, *Modernization of Property Disclosures for Mining Registrants*

SEC Proposed Rule Release No. IA-4439, *Adviser Business Continuity and Transition Plans*

SEC, OCC, Federal Reserve, FDIC, FHFA, and NCUA Proposed Rule Release No. 34-77776, *Incentive-Based Compensation Arrangements*

SEC Compliance Guide, *Regulation Crowdfunding: A Small Entity Compliance Guide for Issuers*

SEC Request for Comment No, 33-9929, *Request for Comment on the Effectiveness of Financial Disclosures About Entities Other Than the Registrant*

PCAOB Auditing Standard No. 7, *Engagement Quality Review*

PCAOB Rule No. 4003, *Frequency of Inspections*

PCAOB Release No. 2016-003, *Proposed Auditing Standard — The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion and Related Amendments to PCAOB Standards*

PCAOB Release No. 2016-002, *Proposed Amendments Relating to the Supervision of Audits Involving Other Auditors and Proposed Auditing Standard — Dividing Responsibility for the Audit With Another Accounting Firm*

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

PCAOB Staff Audit Practice Alert No. 14, *Improper Alteration of Audit Documentation*

PCAOB Staff Guidance, *Form AP*, Auditor Reporting of Certain Audit Participants *and Related Voluntary Audit Report Disclosure Under AS 3101*, Reports on Audited Financial Statements

PCAOB Staff Inspection Brief, *Preview of Observations From 2015 Inspections of Auditors of Issuers*

PCAOB Staff Inspection Brief, *Preview of Observations From 2015 Inspections of Auditors of Brokers and Dealers*

PCAOB Request for Comment, *Post-Implementation Review of Auditing Standard No. 7*, Engagement Quality Review

COSO Exposure Draft, *Enterprise Risk Management — Aligning Risk With Strategy and Performance*

CAQ Publication, *Questions on Non-GAAP Measures — A Tool for Audit Committees*

GASB Statement No. 82, *Pension Issues* — an amendment of GASB Statements No. 67, No. 68, and No. 73

FASAB Statement No. 49, *Public-Private Partnerships Disclosure Requirements*

FASAB Exposure Draft, *Tax Expenditures — Management's Discussion and Analysis and Disclosure Requirements*

IFRS 15, *Revenue From Contracts With Customers*

IFRS 11, *Joint Arrangements*

IFRS 9, *Financial Instruments*

IFRS 4, *Insurance Contracts*

IFRS 3, *Business Combinations*

IFRS 2, *Share-based Payment*

IASB Amendments, *Classification and Measurement of Share-based Payment Transactions* — amendments to IFRS 2

IASB Amendments, *Clarifications to IFRS 15*

IASB Exposure Draft, *Definition of a Business and Accounting for Previously Held Interests* — proposed amendments to IFRS 3 and IFRS 11

IFRS Foundation Exposure Draft, *Trustees' Review of Structure and Effectiveness: Proposed Amendments to the IFRS Foundation Constitution*

ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*

IAASB Publication, *The New Auditor's Report: A Comparison Between the ISAs and the PCAOB Reproposal*

IPSASB Final Pronouncement, *The Applicability of IPSASs*

IPSASB Final Pronouncement, *Improvements to IPSAS 2015*

IPSAS 1, *Presentation of Financial Statements*

IOSCO Final Report, *Statement on Non-GAAP Financial Measures*

IOSCO Report, *Survey Report on Audit Committee Oversight of Auditors*

FRC FAQs, *ESMA Guidelines on Alternative Performance Measures*

GPPC Report, *The Implementation of IFRS 9 Impairment Requirements by Banks — Considerations for Those Charged With Governance of Systemically Important Banks*

Appendix D: Abbreviations

Abbreviation	Definition
ABS	asset-backed security
AFS	available for sale
AICPA	American Institute of Certified Public Accountants
ASB	Auditing Standards Board
ASC	FASB Accounting Standards Codification
ASEC	Assurance Services Executive Committee
ASU	FASB Accounting Standards Update
AT	U.S. Attestation Standards
AT-C	U.S. Clarified Attestation Standards
C&DI	compliance and disclosure interpretation
CAQ	Center for Audit Quality
CAM	critical audit matter
CAT	consolidated audit trail
CECL	current expected credit loss
CFO	chief financial officer
CPE	continuing professional education
COSO	Committee of Sponsoring Organizations of the Treadway Commission
ED	exposure draft
EDGAR	Electronic Data Gathering, Analysis, and Retrieval
EDT	Eastern Daylight Time
EGC	emerging growth company
EITF	Emerging Issues Task Force
ERM	enterprise risk management
ESMA	European Securities and Markets Authority
EU	European Union
FAF	Financial Accounting Foundation
FAQ	frequently asked question
FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
FAST	Fixing America's Surface Transportation
FDIC	Federal Deposit Insurance Corporation
FHFA	Federal Housing Finance Agency

Abbreviation	Definition
FRC	Financial Reporting Council
FRM	SEC Financial Reporting Manual
GAAP	generally accepted accounting principles
GASB	Governmental Accounting Standards Board
GBE	government business enterprise
GPPC	Global Public Policy Committee
HTML	HyperText Markup Language
IAASB	International Auditing and Assurance Standards Board
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFAC	International Federation of Accountants
IFRIC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standard
IOSCO	International Organization of Securities Commissions
IP	intellectual property
IPSAS	International Public Sector Accounting Standard
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
IT	information technology
JOBS	Jumpstart Our Business Startups
MD&A	Management's Discussion and Analysis
NCUA	National Credit Union Administration
NMS	national market system
OCA	Office of the Chief Accountant
OCC	Office of the Comptroller of the Currency
PCAOB	Public Company Accounting Oversight Board
PEEC	Professional Ethics Executive Committee
PIR	post-implementation review
PP&E	property, plant, and equipment
RPG	recommended practice guideline
SAS	Statement on Auditing Standards
SBS	security-based swap

Abbreviation	Definition
SEC	Securities and Exchange Commission
SSAE	Statement on Standards for Attestation Engagements
SSARS	Statement on Standards for Accounting and Review Services
TRG	transition resource group
VIE	variable interest entity
XBRL	eXtensible Business Reporting Language
XML	eXtensible Markup Language

Subscriptions

If you wish to subscribe to *Accounting Roundup* and other Deloitte accounting publications, please register at www.deloitte.com/us/accounting/subscriptions.

Technical Library and US GAAP Plus

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

Updated every business day, Technical Library has an intuitive design and navigation system that, together with its powerful search features, enable users to quickly locate information anytime, from any computer. Technical Library subscribers also receive *Technically Speaking*, the weekly publication that highlights recent additions to the library. For more information, including subscription details and an online demonstration, visit www.deloitte.com/us/techlibrary.

In addition, be sure to visit US GAAP Plus, our free Web site that features accounting news, information, and publications with a U.S. GAAP focus. It contains articles on FASB activities and updates to the *FASB Accounting Standards Codification*™ as well as developments of other U.S. and international standard setters and regulators, such as the PCAOB, AICPA, SEC, IASB, and IFRS Interpretations Committee. Check it out today!