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Quarterly Accounting Roundup

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To our clients, colleagues, and other friends:

Welcome to *Quarterly Accounting Roundup: First Quarter — 2024*. Key accounting, financial reporting, and regulatory developments over the past several months include:

- The SEC's issuance of (1) a landmark final rule that requires registrants to provide climate-related disclosures in their annual reports and registration statements and (2) a final rule that enhances the requirements related to special-purpose acquisition companies (SPACs).
- SEC Chief Accountant Paul Munter's recent statement on audit quality.
- The FASB's release of (1) a proposed measurement chapter of its conceptual framework, (2) a proposed Accounting Standards Update (ASU) that would enhance the guidance on induced conversions of convertible debt instruments, and (3) a final ASU that clarifies whether profits interests and similar awards should be accounted for as share-based payment arrangements.
- The issuance of a new set of global internal audit standards by the Institute of Internal Auditors (IIA).

We value your feedback and would appreciate any comments you may have on *Quarterly Accounting Roundup*. Take a moment to tell us what you think by sending us an e-mail at usaccountingservices@deloitte.com.

For the latest news and publications, visit [Deloitte Accounting Research Tool \(DART\)](#), a comprehensive online library of accounting and financial disclosure literature, including Deloitte's own interpretive guidance and publications. For a digest of news, developments, and Deloitte publications related to predominantly U.S. accounting topics, [subscribe](#) to *Weekly Accounting Roundup*. Also see our [X](#) feed (formerly Twitter) for up-to-date information on the latest news, research, events, and more.

Featured Publications

Deloitte issued the inaugural edition of its Roadmap [Greenhouse Gas Protocol Reporting Considerations](#) in January 2024. This Roadmap consolidates and simplifies the concepts in the Greenhouse Gas Protocol for preparers of sustainability reports as well as for practitioners who are performing assurance or advisory services related to performing under the protocol.

In addition, key newsletters released by Deloitte over the past several months include the following:

- A [Financial Reporting Spotlight](#) (March 22, 2024) on disclosure trends from the 2023 reporting season.
- *Heads Up* newsletters ([March 6, 2024](#), and [March 15, 2024](#)) on the SEC's landmark [final rule](#)¹ on climate-related disclosures.
- A [Financial Reporting Alert](#) (March 5, 2024) on FAQs related to the Organisation for Economic Co-operation and Development's "Pillar Two" framework.
- A [Heads Up](#) (February 6, 2024) on the SEC's [final rule](#)² that enhances the SPAC-related requirements.

¹ SEC Final Rule Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*.

² SEC Final Rule Release No. 33-11265, *Special Purpose Acquisition Companies, Shell Companies, and Projections*.

Accounting — Newly Effective Standards for Public Business Entities

In This Section

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Fair Value Measurement

FASB ASU 2022-03 on Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions

Affects: All entities.

Summary: The FASB issued [ASU 2022-03](#)³ on June 30, 2023. The ASU (1) clarifies the guidance in ASC 820⁴ on the fair value measurement of an equity security that is subject to a contractual sale restriction and (2) requires specific disclosures related to such an equity security. Specifically, ASU 2022-03 clarifies that a “contractual sale restriction prohibiting the sale of an equity security is a characteristic of the reporting entity holding the equity security” and is not included in the equity security’s unit of account. Accordingly, an entity should not consider the contractual sale restriction when measuring the equity security’s fair value (i.e., the entity should not apply a discount related to the contractual sale restriction, as stated in ASC 820-10-35-36B as amended by the ASU). In addition, the ASU prohibits an entity from recognizing a contractual sale restriction as a separate unit of account.

Next Steps: For public business entities (PBEs), the ASU’s amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years, with early adoption permitted. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2024, and interim periods within those fiscal years, with early adoption permitted for both interim and annual financial statements that have not yet been issued or made available for issuance.

Other Resources: Deloitte’s July 1, 2022, [Heads Up](#) and Roadmap [Fair Value Measurements and Disclosures \(Including the Fair Value Option\)](#).

Income Taxes

FASB ASU 2023-02 on Use of Proportional Amortization Method to Account for Investments in Tax Credit Structures

Affects: All entities.

Summary: The FASB issued [ASU 2023-02](#)⁵ on March 29, 2023. Under the ASU, which was released in response to an EITF consensus, a reporting entity that meets certain conditions may elect to account for its tax equity investments by using the proportional amortization method regardless of the program from which it receives income tax credits. The ASU’s amendments “remove the specialized guidance for LIHTC [low-income-housing tax credit] investments that are not accounted for using the proportional amortization method and instead require that those LIHTC investments be accounted for using the guidance in other [GAAP].”

Next Steps: The ASU’s amendments are effective (1) for PBEs, for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, and (2) for all other entities, for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. All entities are permitted to early adopt the amendments in any interim period.

³ FASB Accounting Standards Update No. 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*.

⁴ For titles of FASB Accounting Standards Codification (ASC) references, see Deloitte’s “[Titles of Topics and Subtopics in the FASB Accounting Standards Codification](#).”

⁵ FASB Accounting Standards Update No. 2023-02, *Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* — a consensus of the FASB Emerging Issues Task Force.

Other Resources: Deloitte's December 2022 [EITF Snapshot](#), Roadmap [Income Taxes](#), and Roadmap [Equity Method Investments and Joint Ventures](#).

Leases

FASB ASU 2023-01 on Leases Between Entities Under Common Control

Affects: All entities.

Summary: The FASB issued [ASU 2023-01](#)⁶ on March 27, 2023. The ASU amends certain provisions of ASC 842 that apply to arrangements between related parties under common control. Specifically, the ASU offers private companies, as well as not-for-profit entities that are not conduit bond obligors, a practical expedient that gives such entities the option of using the written terms and conditions of a common-control arrangement when determining (1) whether a lease exists and (2) the subsequent accounting for the lease, including the lease's classification. In addition, the ASU amends the accounting for leasehold improvements in common-control arrangements for all entities.

Next Steps: ASU 2023-01 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted in any annual or interim period as of the beginning of the related fiscal year.

Other Resources: Deloitte's March 28, 2023, [Heads Up](#) and Roadmap [Leases](#).

Segments

FASB ASU 2023-07 on Improvements to Disclosures About Reportable Segments

Affects: Public entities that are required to report segment information in accordance with ASC 280.

Summary: The FASB issued [ASU 2023-07](#)⁷ on November 27, 2023. The amendments "improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses." In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The purpose of the amendments is to enable "investors to better understand an entity's overall performance" and assess "potential future cash flows."

Next Steps: The amendments in ASU 2023-07 are effective for all public entities for fiscal years beginning after December 15, 2023 (e.g., for calendar-year-end public entities, annual periods beginning on January 1, 2024 — i.e., December 31, 2024, Form 10-K), and interim periods within fiscal years beginning after December 15, 2024 (e.g., for calendar-year-end public entities, interim periods beginning on January 1, 2025 — i.e., Form 10-Q for the first quarter of 2025). Early adoption is permitted.

Other Resources: Deloitte's November 30, 2023 (updated December 20, 2023), [Heads Up](#) and Roadmap [Segment Reporting](#). Also see the [press release](#) on the FASB's Web site.

⁶ FASB Accounting Standards Update No. 2023-01, *Leases (Topic 842): Common Control Arrangements*.

⁷ FASB Accounting Standards Update No. 2023-07, *Improvements to Reportable Segment Disclosures*.

International

IASB Amendments to IAS 1 on Liability Classification

Affects: Entities reporting under IFRS® Accounting Standards.

Summary: The IASB released amendments⁸ to IAS 1⁹ on January 23, 2020, to clarify the classification of liabilities as current or noncurrent. Specifically, the amendments “aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.” The amendments clarify — but do not change — existing requirements and are not expected to significantly affect companies’ financial statements.

On July 15, 2020, the effective date of these amendments was deferred (from January 1, 2022, to January 1, 2023). The purpose of the deferral was to give companies additional time to implement any potential classification changes.

Then, on October 31, 2022, the IASB published another set of IAS 1 amendments¹⁰ to enhance “the information companies provide about long-term debt with covenants.” Among other things, these amendments specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or noncurrent. The October 2022 debt covenant amendments also deferred the effective date of the January 2020 liability classification amendments by an additional year (from January 1, 2023, to January 1, 2024).

Next Steps: Both sets of amendments are effective for annual reporting periods beginning on January 1, 2024. Early adoption is permitted.

Other Resources: Deloitte’s [January 29, 2020](#); [July 22, 2020](#); and [November 2, 2022](#), *iGAAP in Focus* newsletters.

IASB Amendments Revise Disclosure Requirements Related to Supplier Finance Arrangements

Affects: Entities reporting under IFRS Accounting Standards.

Summary: On May 25, 2023, the IASB released amendments that revise the disclosure requirements in IAS 7¹¹ and IFRS 7¹² “to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk.” The IASB issued the amendments in “response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.”

Next Steps: The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

Other Resources: Deloitte’s May 30, 2023, *iGAAP in Focus*.

⁸ IASB Amendments, *Classification of Liabilities as Current or Non-Current* — amendments to IAS 1.

⁹ IAS 1, *Presentation of Financial Statements*.

¹⁰ IASB Amendments, *Non-current Liabilities With Covenants* — amendments to IAS 1.

¹¹ IAS 7, *Statement of Cash Flows*.

¹² IFRS 7, *Financial Instruments: Disclosures*.

Accounting — Newly Issued Standards

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Profits Interest Awards

FASB Releases ASU on Profits Interest Awards

Affects: All entities.

Summary: On March 21, 2024, the FASB issued [ASU 2024-01](#),¹³ which clarifies how an entity determines whether a profits interest or similar award is (1) within the scope of ASC 718 or (2) not a share-based payment arrangement and therefore within the scope of other guidance. The guidance in ASU 2024-01 applies to all entities that issue profits interest awards as compensation to employees or nonemployees in exchange for goods or services.

Next Steps: The ASU is effective (1) for public business entities for annual periods beginning after December 15, 2024, including interim periods within those periods, and (2) for all other entities for annual periods beginning after December 15, 2025, including interim periods within those periods.

Other Resources: Deloitte's March 22, 2024, [Heads Up](#). Also see the [press release](#) on the FASB's Web site.

¹³ FASB Accounting Standards Update No. 2014-01, *Scope Application of Profits Interest and Similar Awards*.

Accounting — Exposure Drafts

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Conceptual Framework

FASB Proposes Measurement Chapter of Conceptual Framework

Affects: All entities.

Summary: On December 21, 2023, the FASB proposed for public comment the [measurement chapter](#) (Chapter 6) of Concepts Statement 8¹⁴ (the Board's conceptual framework). The proposed chapter would contain "concepts for the Board to consider when choosing a measurement system for an asset or a liability recognized in general purpose financial statements."

Comments on the proposed chapter were due by March 20, 2024.

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

Convertible Debt

FASB Proposes Enhancements to Guidance on Induced Conversions of Convertible Debt Instruments

Affects: All entities.

Summary: On December 19, 2023, the FASB released a [proposed ASU](#)¹⁵ on convertible debt on the basis of an EITF consensus-for exposure. Specifically, the proposal would clarify "the requirements for determining whether certain settlements of convertible debt instruments, including convertible debt instruments with cash conversion features, should be accounted for as induced conversions." The Board released the proposed ASU in response to stakeholder feedback indicating that "it is unclear how to apply the existing induced conversion guidance to convertible debt instruments with cash conversion and other features that have become prevalent in the market since this guidance was originally issued."

Comments on the proposed ASU were due by March 18, 2024.

Other Resources: Deloitte's September 2023 [EITF Snapshot](#). Also see the [press release](#) on the FASB's Web site.

¹⁴ FASB Proposed Concepts Statement No. 8, *Conceptual Framework for Financial Reporting — Chapter 6, Measurement*.

¹⁵ FASB Proposed Accounting Standards Update, *Induced Conversions of Convertible Debt Instruments* — a consensus of the FASB Emerging Issues Task Force.

Auditing Developments

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CAQ

CAQ Releases Audit Committee Practices Report

Affects: Audit committees.

Summary: On March 12, 2024, the Center for Audit Quality (CAQ), in conjunction with Deloitte’s Center for Board Effectiveness, released the third edition of its publication [Audit Committee Practices Report: Common Threads Across Audit Committees](#). The primary purpose of this publication, which is based on data collected from a survey of audit committee professionals, is to “provide directors — especially audit committee members — and governance professionals insights into audit committee priorities, challenges, and opportunities.” The survey results revealed that the top two priorities for audit committees continue to be (1) cybersecurity and (2) enterprise risk management.

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

PCAOB

PCAOB Releases Proposal Related to Making False or Misleading Statements About PCAOB Registration or Oversight

Affects: Registered public accounting firms.

Summary: On February 27, 2024, the PCAOB released a [proposed rule](#)¹⁶ that would prohibit registered audit firms from making “false or misleading statements” about their “registration status to clients, potential clients, or the public.” In addition, the proposal would contain a list (not all-inclusive) of possible statements that “would violate” this prohibition. Further, the proposed rule would include a “procedural mechanism” under which the PCAOB would be able, when certain conditions are met, “to (i) treat a PCAOB-registered firm’s failures both to file annual reports to the PCAOB and to pay annual fees to the PCAOB for at least two consecutive reporting years as a constructive request for leave to withdraw from PCAOB registration and (ii) to deem the firm’s registration withdrawn.”

Next Steps: Comments on the proposed rule are due by April 12, 2024.

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

PCAOB Releases Spotlight Publications

Affects: Registered public accounting firms.

Summary: In January 2024, the PCAOB released the following spotlight publications:

- [Insights Into the PCAOB’s Interim Inspection Program Related to Audits of Broker-Dealers](#) — Indicates that general aspects of broker-dealer audits that could be improved include, but are not limited to, (1) understanding of the broker-dealer industry, (2) professional skepticism, (3) risk assessment and consideration of internal controls, (4) experience with PCAOB standards, (5) engagement quality reviews, and (6) placing less reliance on standardized audit programs.
- [Staff Priorities for 2024 Inspections and Interactions With Audit Committees](#) — Gives an overview of the priorities of the PCAOB’s Division of Registration and Inspections (the “Division”) for 2024.

¹⁶ PCAOB Release No. 2024-001, *Proposals Regarding False or Misleading Statements Concerning PCAOB Registration and Oversight and Constructive Requests to Withdraw From Registration*.

- [Observations From the Target Team's 2022 Inspections](#) — Details the results of inspections performed by the Division's "target team" during 2022. This team "executes in-depth reviews across audit firms using information-gathering procedures that extend beyond traditional inspection procedures."

International

IIA Releases Global Internal Audit Standards

Affects: Internal auditors.

Summary: On January 9, 2024, the Institute of Internal Auditors (IIA) released a new set of [global internal audit standards](#). The new standards, which supersede the 2017 *International Standards for the Professional Practice of Internal Auditing*, contain "15 guiding principles that enable effective internal auditing [and that are] supported by . . . requirements, considerations for implementation, and examples of evidence of conformance."

Next Steps: The new internal audit standards will become effective on January 9, 2025; early adoption is encouraged.

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

IPTF Releases Discussion Document on Monitoring Inflation in Certain Countries

Affects: Auditors.

Summary: In January 2024, the CAQ posted to its Web site an International Practices Task Force (IPTF) [discussion document](#) "to assist registrants in monitoring inflation statistics in connection with their determination of the inflationary status of countries in which they have operations" under ASC 830. In the discussion document, the IPTF considers the guidance in ASC 830 to categorize countries on the basis of cumulative inflation rates.

Regulatory and Compliance Developments

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SEC Releases Final Rule on Climate-Related Disclosures

Affects: SEC registrants.

Summary: On March 6, 2024, the SEC released a [final rule](#) that requires registrants to provide comprehensive climate-related disclosures in their annual reports and registration statements, including those for initial public offerings (IPOs), beginning with annual reports for the year ending December 31, 2025, for calendar-year-end large accelerated filers.

The press release on the final rule states that, among other items, a registrant will be required to disclose:

- Climate-related risks that have had or are reasonably likely to have a material impact on the registrant’s business strategy, results of operations, or financial condition;
- The actual and potential material impacts of any identified climate-related risks on the registrant’s strategy, business model, and outlook;
- If, as part of its strategy, a registrant has undertaken activities to mitigate or adapt to a material climate-related risk, a quantitative and qualitative description of material expenditures incurred and material impacts on financial estimates and assumptions that directly result from such mitigation or adaptation activities;
- Specified disclosures regarding a registrant’s activities, if any, to mitigate or adapt to a material climate-related risk including the use, if any, of transition plans, scenario analysis, or internal carbon prices;
- Any oversight by the board of directors of climate-related risks and any role by management in assessing and managing the registrant’s material climate-related risks;
- Any processes the registrant has for identifying, assessing, and managing material climate-related risks and, if the registrant is managing those risks, whether and how any such processes are integrated into the registrant’s overall risk management system or processes;
- Information about a registrant’s climate-related targets or goals, if any, that have materially affected or are reasonably likely to materially affect the registrant’s business, results of operations, or financial condition. Disclosures would include material expenditures and material impacts on financial estimates and assumptions as a direct result of the target or goal or actions taken to make progress toward meeting such target or goal;
- For large accelerated filers (LAFs) and accelerated filers (AFs) that are not otherwise exempted, information about material Scope 1 emissions and/or Scope 2 emissions;
- For those required to disclose Scope 1 and/or Scope 2 emissions, an assurance report at the limited assurance level, which, for an LAF, following an additional transition period, will be at the reasonable assurance level;
- The capitalized costs, expenditures expensed, charges, and losses incurred as a result of severe weather events and other natural conditions, such as hurricanes, tornadoes, flooding, drought, wildfires, extreme temperatures, and sea level rise, subject to applicable one percent and de minimis disclosure thresholds, disclosed in a note to the financial statements;
- The capitalized costs, expenditures expensed, and losses related to carbon offsets and renewable energy credits or certificates (RECs) if used as a material component of a registrant’s plans to achieve its disclosed climate-related targets or goals, disclosed in a note to the financial statements; and
- If the estimates and assumptions a registrant uses to produce the financial statements were materially impacted by risks and uncertainties associated with severe weather events and other natural conditions or any disclosed climate-related targets or transition plans, a qualitative description of how the development of such estimates and assumptions was impacted, disclosed in a note to the financial statements.

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

Other Resources: Deloitte's [March 6, 2024](#), and [March 15, 2024](#), *Heads Up* newsletters. Also see the [press release](#) and [fact sheet](#) on the SEC's Web site.

SEC Chief Accountant Releases Statement on Audit Quality

Affects: SEC registrants.

Summary: On February 5, 2024, SEC Chief Accountant Paul Munter released a [statement](#) on the importance of audit quality to protecting investors. Mr. Munter noted that he is making these remarks in view of the PCAOB's inspection finding that audit deficiency rates have increased. He noted that because risks continue to evolve, management needs to continually evaluate and adjust its systems and processes "to ensure that adequate systems and processes, coupled with a strong compliance culture, are in place to produce reliable, high quality financial statements and disclosures." He also emphasized the importance of the auditor's professional skepticism and an independent audit committee to enhancing audit quality.

SEC Amends Disclosure Requirements Related to NMS Orders

Affects: SEC registrants.

Summary: On March 6, 2024, the SEC released a [final rule](#)¹⁷ to amend Regulation NMS, Rule 605, which governs the disclosure requirements related to national market system (NMS) stocks (i.e., "stocks listed on a national securities exchange"). According to SEC Chair Gary Gensler, the purpose of the amendments is to "improve transparency for execution quality and facilitate investors' ability to compare brokers, thereby enhancing competition in our markets."

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

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

SEC Releases Annual Staff Report on NRSROs

Affects: SEC registrants.

Summary: On February 16, 2024, the staff in the SEC's Office of Credit Ratings released its [annual report](#) on nationally recognized statistical rating organizations (NRSROs), also known as credit rating agencies. The purpose of the report is to "provide findings on [the Commission's] examinations of the agencies, and to discuss the state of competition, transparency, and conflicts of interest among them."

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

¹⁷ SEC Final Rule Release No. 34-99679, *Disclosure of Order Execution Information*.

SEC Proposes Inflation Adjustment Related to Definition of “Qualifying Venture Capital Fund”

Affects: SEC registrants.

Summary: On February 14, 2024, the SEC released a [proposed rule](#)¹⁸ under which the dollar threshold used to define a “qualifying venture capital fund” (such a fund does not qualify as an “investment company” under the Investment Company Act of 1940) would be adjusted for inflation — from \$10 million to \$12 million of “aggregate capital contributions and uncalled committed capital.” The purpose of the proposal is to implement a mandate of the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018, which requires the SEC to index this dollar threshold for inflation every five years.

Comments on the proposed rule were due by March 22, 2024.

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

SEC and CFTC Release Final Rule Related to Private Fund Reporting

Affects: SEC registrants.

Summary: On February 8, 2024, the SEC and Commodity Futures Trading Commission (CFTC) jointly released a [final rule](#)¹⁹ that amends Form PF — that is, “the confidential reporting form for certain SEC-registered investment advisers to private funds, including those that also are registered with the CFTC as a commodity pool operator . . . or commodity trading adviser.” The final rule is intended to “enhance the Financial Stability Oversight Council’s . . . ability to monitor systemic risk as well as bolster the SEC’s regulatory oversight of private fund advisers and investor protection efforts.”

Next Steps: The final rule will become effective on March 12, 2025.

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

SEC Issues Final Rule Related to Definitions of “Dealer” and “Government Securities Dealer”

Affects: SEC registrants.

Summary: On February 6, 2024, the SEC released a [final rule](#)²⁰ that amends the Securities Exchange Act of 1934 to broaden the scope of the definitions of “dealer” and “government securities dealer” in Exchange Act Sections 3(a)(5) and 3(a)(44). Specifically, the final rule identifies certain additional activities that, if engaged in as part of an entity’s regular business, would cause an entity to be a dealer or government securities dealer and therefore be “subject to the registration requirements” of the Exchange Act in the absence of “an exception or exemption.” Such market participants would be required to “register with the SEC, become members of a self-regulatory organization . . . , and comply with federal securities laws and regulatory obligations.”

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

¹⁸ SEC Proposed Rule Release No. IC-35129, *Qualifying Venture Capital Funds Inflation Adjustment*.

¹⁹ SEC Final Rule Release No. IA-6546, *Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers*.

²⁰ SEC Final Rule Release No. 34-99477, *Further Definition of “As a Part of a Regular Business” in the Definition of Dealer and Government Securities Dealer in Connection With Certain Liquidity Providers*.

SEC Enhances SPAC-Related Requirements

Affects: SEC registrants.

Summary: On January 24, 2024, the SEC released a [final rule](#) that is designed to “enhance investor protections in [IPOs] by special purpose acquisition companies (commonly known as SPACs) and in subsequent business combination transactions between SPACs and private operating companies (commonly known as de-SPAC transactions).” Under the final rule, registrants are required to provide “enhanced disclosures about conflicts of interest, SPAC sponsor compensation, dilution, and other information that is important to investors in SPAC IPOs and de-SPAC transactions.” Further, registrants must disclose “additional information about the target company to investors that will help investors make more informed voting and investment decisions in connection with a de-SPAC transaction.”

Next Steps: The final rule will become effective on July 1, 2024.

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

SEC Releases Statement on Foreign Currency Holdings

Affects: SEC registrants.

Summary: On January 19, 2024, the staff in the SEC’s Division of Investment Management released a [statement](#) on disclosures provided by exchange-traded funds (ETFs) in accordance with Rule 6c-11 of the Investment Company Act of 1940. Topics covered in the statement include:

- Portfolio transparency and ETF arbitrage.
- Types of information that must be furnished in portfolio holding disclosures under Rule 6c-11.
- The SEC staff’s view that “an ETF that holds any currency other than U.S. dollars should identify the specific currency to satisfy the requirement in Rule 6c-11(c)(1)(i)(C) to provide an adequate description of the holding.”

SEC Updates CF Disclosure Guidance

Affects: SEC registrants.

Summary: On January 8, 2024, the SEC updated [CF Disclosure Guidance Topic No. 7](#),²¹ which “addresses how and what to submit when filing an application objecting to public release of information otherwise required to be filed under the Securities Act and the Securities Exchange Act.” The update specifically pertains to “options for confidential treatment orders that are about to expire.”

SEC Releases FAQs Related to Final Rule on Tailored Shareholder Reports

Affects: SEC registrants.

Summary: In January 2024, the staff in the SEC’s Division of Investment Management released a series of [FAQs](#) related to the Commission’s October 2022 [final rule](#)²² on tailored investment reports for mutual funds and exchange-traded funds. Under the final rule, such funds are required to “transmit concise and visually engaging annual and semi-annual reports to shareholders . . . under the Investment Company Act of 1940 . . . and to promote transparent

²¹ SEC CF Disclosure Guidance Topic No. 7, *Confidential Treatment Applications Submitted Pursuant to Rules 406 and 24b-2*.

²² SEC Final Rule Release No. 33-11125, *Tailored Shareholder Reports for Mutual Funds and Exchange-Traded Funds; Fee Information in Investment Company Advertisements*.

and balanced presentations of fees and expenses in investment company advertisements.” The FAQs are divided into the following broad topics:

- The meaning of an “appropriate broad-based securities market index.”
- Form N-CSR and the Web site availability requirements.
- Binding individual shareholder reports of multiple funds.
- Electronically provided shareholder reports.
- Compliance date and Inline XBRL issues.

U.S. Court of Appeals Vacates SEC Final Rule on Share Buyback Disclosures

Affects: SEC registrants.

Summary: On December 19, 2023, the U.S. Court of Appeals for the Fifth Circuit [vacated](#) the SEC’s [final rule](#)²³ on share buyback disclosures, which was originally intended to modernize and enhance the Commission’s disclosure requirements related to an issuer’s share repurchase activities and programs.

The court had found the rule defective on October 31, 2023, and had given the SEC 30 days to cure the defects. Further, the court had denied the SEC’s request for an extension of the 30-day period on November 26, 2023. In its judgment regarding the vacating of the rule, the court stated that “[t]he SEC acted arbitrarily and capriciously, in violation of the [Administrative Procedure Act], when it failed to respond to petitioners’ comments and failed to conduct a proper cost-benefit analysis.”

Further, on March 19, 2024, the SEC released [technical amendments](#) to reflect the court’s vacatur of the rule. The technical amendments “do not impose any new substantive regulatory requirements” and merely rescind “the changes to the rules and forms promulgated under the Exchange Act and the Investment Company Act.”

²³ SEC Final Rule Release No. 34-97424, *Share Repurchase Disclosure Modernization*.

Appendix A: Significant Adoption Dates

The tables below describe significant adoption dates for FASB/EITF, PCAOB, AICPA, SEC, IASB/IFRIC, and ISSB standards. Content recently added or revised is highlighted in [green](#).

FASB/EITF	Effective Date for PBEs	Effective Date for Non-PBEs	Early Adoption Allowed (Yes/No)	Deloitte Resources
Final Guidance				
ASU 2024-01, <i>Scope Application of Profits Interest and Similar Awards</i> (issued March 21, 2024)	Annual periods beginning after December 15, 2024, including interim periods within those annual periods.	Annual periods beginning after December 15, 2025, including interim periods within those annual periods.	Yes	March 22, 2024, Heads Up
ASU 2023-09, <i>Improvements to Income Tax Disclosures</i> (issued December 14, 2023)	Annual periods beginning after December 15, 2024.	Annual periods beginning after December 15, 2025.	Yes	January 18, 2024 Heads Up
ASU 2023-08, <i>Accounting for and Disclosure of Crypto Assets</i> (issued December 13, 2023)	Fiscal years beginning after December 15, 2024, including interim periods within those fiscal years.	Fiscal years beginning after December 15, 2024, including interim periods within those fiscal years.	Yes	December 15, 2023, Heads Up
ASU 2023-07, <i>Improvements to Reportable Segment Disclosures</i> (issued November 27, 2023)	Fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024.	N/A	Yes	November 30, 2023, Heads Up
ASU 2023-06, <i>Disclosure Improvements — Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative</i> (issued October 9, 2023)	For entities subject to the SEC's existing disclosure requirements and for entities required to file or furnish financial statements with or to the SEC in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer, the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective. If the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K by June 30, 2027, the ASU will not become effective.	Two years after the SEC's removal of the related disclosure from Regulation S-X or Regulation S-K becomes effective. If the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K by June 30, 2027, the ASU will not become effective.	No	October 12, 2023, Heads Up

ASU 2023-05, <i>Business Combinations — Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement</i> (issued August 23, 2023)	Prospectively for all joint venture formations with a formation date on or after January 1, 2025.	Prospectively for all joint venture formations with a formation date on or after January 1, 2025.	Yes	September 8, 2023, Heads Up
ASU 2023-04, <i>Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 121</i> (issued August 3, 2023)	Upon issuance.	N/A	N/A	August 4, 2023, DART news item
ASU 2023-03, <i>Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022 EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280 — General Revision of Regulation S-X: Income or Loss Applicable to Common Stock</i> (issued July 14, 2023)	Upon issuance.	N/A	N/A	July 19, 2023, DART news item
ASU 2023-02, <i>Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method</i> (issued March 29, 2023)	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2024, and interim periods within those fiscal years.	Yes	March 29, 2023, DART news item
ASU 2023-01, <i>Leases (Topic 842): Common Control Arrangements</i> (issued March 27, 2023)	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Yes	March 28, 2023, Heads Up
ASU 2022-06, <i>Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848</i> (issued December 21, 2022)	Effective upon issuance through December 31, 2024.	Effective upon issuance through December 31, 2024.	Yes	December 21, 2022, Heads Up
ASU 2022-05, <i>Transition for Sold Contracts</i> (issued December 15, 2022)	Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025.	Yes	

ASU 2022-04, <i>Disclosure of Supplier Finance Program Obligations</i> (issued September 29, 2022)	Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023.	Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023.	Yes	September 30, 2022, Heads Up
ASU 2022-03, <i>Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i> (issued June 30, 2022)	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2024, and interim periods within those fiscal years.	Yes	July 1, 2022, Heads Up
ASU 2022-01, <i>Fair Value Hedging — Portfolio Layer Method</i> (issued March 28, 2022)	Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Yes	March 29, 2022, Heads Up
ASU 2021-08, <i>Accounting for Contract Assets and Contract Liabilities From Contracts With Customers</i> (issued October 28, 2021)	Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.	Fiscal years beginning after December 15, 2023, including interim periods within those fiscal years.	Yes	November 2, 2021, Heads Up
ASU 2021-01, <i>Reference Rate Reform (Topic 848): Scope</i> (issued January 7, 2021; effective date amended by ASU 2022-06)	Effective upon issuance through December 31, 2024.	Effective upon issuance through December 31, 2024.	N/A	January 11, 2021, Heads Up
ASU 2020-11, <i>Financial Services — Insurance (Topic 944): Effective Date and Early Application</i> (issued November 5, 2020)	This ASU amends the effective date of ASU 2018-12 and makes targeted improvements. See effective date information for ASU 2018-12 below.	This ASU amends the effective date of ASU 2018-12 and makes targeted improvements. See effective date information for ASU 2018-12 below.	Yes	November 6, 2020, DART news item
ASU 2020-06, <i>Accounting for Convertible Instruments and Contracts in an Entity's Own Equity</i> (issued August 5, 2020)	Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Yes, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.	August 5, 2020, Heads Up
ASU 2020-04, <i>Facilitation of the Effects of Reference Rate Reform on Financial Reporting</i> (issued March 12, 2020; effective date amended by ASU 2022-06)	March 12, 2020, through December 31, 2024.	March 12, 2020, through December 31, 2024.	N/A	March 23, 2020, Heads Up

ASU 2019-09, <i>Financial Services — Insurance (Topic 944): Effective Date</i> (issued November 15, 2019)	This ASU amends the effective date of ASU 2018-12. See effective date information for ASU 2018-12 below.	This ASU amends the effective date of ASU 2018-12. See effective date information for ASU 2018-12 below.	N/A	November 2019 Insurance Spotlight
ASU 2018-12, <i>Targeted Improvements to the Accounting for Long-Duration Contracts</i> (issued August 15, 2018; effective date amended by ASU 2019-09 and ASU 2020-11)	For PBEs that meet the definition of an SEC filer, excluding entities eligible to be smaller reporting companies (SRCs) as defined by the SEC, the amendments in this ASU are effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025.	Yes	August 2018 and November 2019 <i>Insurance Spotlight</i> newsletters

PCAOB	Effective Date for PBEs	Deloitte Resources
Final Guidance		
Release No. 2023-008, <i>The Auditor's Use of Confirmation, and Other Amendments to PCAOB Standards</i> (issued September 28, 2023, and approved by the SEC on December 1, 2023)	Financial statement audits for fiscal years ending on or after June 15, 2025.	November 10, 2023, Heads Up
Release No. 2022-002, <i>Planning and Supervision of Audits Involving Other Auditors and Dividing Responsibility for the Audit With Another Accounting Firm</i> (issued June 21, 2022, and approved by the SEC on August 12, 2022)	Financial statement audits for fiscal years ending on or after December 15, 2024.	June 23, 2022, DART news item

AICPA	Effective Date for Non-PBEs	Deloitte Resources
Final Guidance		
SAS 149, <i>Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors and Audits of Referred-to Auditors)</i> (issued March 6, 2023)	Group financial statement audits for periods ending on or after December 15, 2026.	March 9, 2023, DART news item

SAS 148, <i>Amendment to AU-C Section 935</i> (issued August 12, 2022)	The amendment related to AU-C Section 501 in the appendix, "AU-C Sections That Are Not Applicable to Compliance Audits," is effective for compliance audits for fiscal periods ending on or after December 15, 2022, in a manner consistent with the effective date of SAS 142. All other amendments are effective for compliance audits for fiscal periods ending on or after December 15, 2023, in a manner consistent with the effective date of SAS 145.	August 12, 2022, DART news item
SAS 147, <i>Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations</i> (issued June 8, 2022)	Audits of financial statements for periods beginning on or after June 30, 2023.	June 8, 2022, DART news item
SAS 146, <i>Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards</i> (issued June 6, 2022)	Audits of financial statements for periods beginning on or after December 15, 2025.	June 3, 2022, DART news item
SAS 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i> (issued October 12, 2021)	Audits of financial statements for periods ending on or after December 15, 2023.	
SAS 144, <i>Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Information Sources</i> (issued June 9, 2021)	Audits of financial statements for periods ending on or after December 15, 2023.	
SAS 143, <i>Auditing Accounting Estimates and Related Disclosures</i> (issued July 1, 2020)	Audits of financial statements for periods ending on or after December 15, 2023.	

SEC	Effective Date	Deloitte Resources
Final Guidance		
Technical Amendments, <i>Share Repurchase Disclosure Modernization</i> (34-99778) (issued March 19, 2024)	Date of publication in the <i>Federal Register</i> .	March 21, 2024, DART news item

Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-11277) (issued March 18, 2024)	Date of publication in the <i>Federal Register</i> .	
Final Rule, <i>Disclosure of Order Execution Information</i> (34-99679) (issued March 6, 2024)	60 days after the date of publication in the <i>Federal Register</i> .	March 7, 2024, DART news item
Final Rule, <i>The Enhancement and Standardization of Climate-Related Disclosures for Investors</i> (33-11275) (issued March 6, 2024)	60 days after the date of publication in the <i>Federal Register</i> .	March 6, 2024 , and March 15, 2024 , <i>Heads Up</i> newsletters
Final Rule, <i>Supplemental Standards of Ethical Conduct for Members and Employees of the Securities and Exchange Commission</i> (34-99582) (issued February 22, 2024)	March 29, 2024.	February 23, 2024, DART news item
Final Rule, <i>Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers</i> (IA-6546) (February 8, 2024)	March 12, 2025.	February 8, 2024, DART news item
Final Rule, <i>Further Definition of "As a Part of a Regular Business" in the Definition of Dealer and Government Securities Dealer in Connection With Certain Liquidity Providers</i> (34-99477) (issued February 6, 2024)	April 29, 2024.	February 7, 2024, DART news item
Final Rule, <i>Special Purpose Acquisition Companies, Shell Companies, and Projections</i> (33-11265) (issued January 24, 2024)	July 1, 2024.	February 6, 2024, Heads Up
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-11235) (issued December 18, 2023)	January 24, 2024.	
Final Rule, <i>Standards for Covered Clearing Agencies for U.S. Treasury Securities and Application of the Broker-Dealer Customer Protection Rule With Respect to U.S. Treasury Securities</i> (33-99149) (issued December 13, 2023)	March 18, 2024.	December 14, 2023, DART news item

Final Rule, <i>Prohibition Against Conflicts of Interest in Certain Securitizations</i> (33-11254) (issued November 27, 2023)	February 5, 2024.	November 28, 2023, DART news item
Final Rule, <i>Clearing Agency Governance and Conflicts of Interest</i> (34-98959) (issued November 16, 2023)	February 5, 2024.	November 16, 2023, DART news item
Final Rule, <i>Security-Based Swap Execution and Registration and Regulation of Security-Based Swap Execution Facilities</i> (34-98845) (issued November 2, 2023)	February 13, 2024.	November 2, 2023, DART news item
Final Rule, <i>Short Position and Short Activity Reporting by Institutional Investment Managers</i> (34-98738) (issued October 13, 2023)	January 2, 2024.	October 13, 2023, DART news item
Final Rule, <i>Reporting of Securities Loans</i> (34-98737) (issued October 13, 2023)	January 2, 2024.	October 13, 2023, DART news item
Final Rule, <i>Modernization of Beneficial Ownership Reporting</i> (33-11253) (issued October 10, 2023)	February 5, 2024.	October 11, 2023, DART news item
Final Rule, <i>The Commission's Privacy Act Regulations</i> (34-98437) (issued September 20, 2023)	October 26, 2023.	September 22, 2023, DART news item
Final Rule, <i>Investment Company Names</i> (33-11238) (issued September 20, 2023)	December 11, 2023.	September 22, 2023, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-11235) (issued September 18, 2023)	October 3, 2023.	
Final Rule, <i>Private Fund Advisers; Documentation of Registered Investment Adviser Compliance Reviews</i> (IA-6383) (issued August 23, 2023)	November 13, 2023.	August 24, 2023, DART news item
Final Rule, <i>Exemption for Certain Exchange Members</i> (34-98202) (issued August 23, 2023)	November 6, 2023.	August 23, 2023, DART news item

Final Rule, <i>Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure</i> (33-11216) (issued July 26, 2023)	September 5, 2023.	July 30, 2023 (updated December 19, 2023), Heads Up
Final Rule, <i>Money Market Fund Reforms; Form PF Reporting Requirements for Large Liquidity Fund Advisers; Technical Amendments to Form N-CSR and Form N-1A</i> (33-11211) (issued July 12, 2023)	October 2, 2023.	July 12, 2023, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-11205) (issued June 15, 2023)	July 18, 2023.	
Final Rule, <i>Removal of References to Credit Ratings From Regulation M</i> (34-97657) (issued June 7, 2023)	August 21, 2023.	June 7, 2023, DART news item
Final Rule, <i>Prohibition Against Fraud, Manipulation, or Deception in Connection With Security-Based Swaps; Prohibition Against Undue Influence Over Chief Compliance Officers</i> (34-97656) (issued June 7, 2023)	August 29, 2023.	June 7, 2023, DART news item
Final Rule, <i>Technical Amendments to Commission Rules and Forms</i> (33-11197) (issued May 31, 2023)	June 12, 2023.	June 1, 2023, DART news item
Final Rule, <i>Technical Amendments to Form BD and Form BDW</i> (34-97478) (issued May 11, 2023)	May 23, 2023.	
Final Rule, <i>Form PF; Event Reporting for Large Hedge Fund Advisers and Private Equity Fund Advisers; Requirements for Large Private Equity Fund Adviser Reporting</i> (IA-6297) (issued May 3, 2023)	June 11, 2024.	May 3, 2023, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-11168) (issued March 20, 2023)	April 20, 2023.	
Final Rule, <i>Extending Form 144 EDGAR Filing Hours</i> (33-11159) (issued February 21, 2023)	March 20, 2023.	February 22, 2023 (updated February 24, 2023), DART news item

Final Rule, <i>Shortening the Securities Transaction Settlement Cycle</i> (34-96930) (issued February 15, 2023)	May 5, 2023.	February 15, 2023, DART news item
Final Rule, <i>Enhanced Reporting of Proxy Votes by Registered Management Investment Companies; Reporting of Executive Compensation Votes by Institutional Investment Managers</i> (33-11131) (issued November 2, 2022)	July 1, 2024.	November 2, 2022, DART news item
Final Rule, <i>Investment Company Reporting Modernization</i> (33-10442) (issued December 8, 2017)	January 16, 2018, to March 31, 2026.	

IASB/IFRIC	Effective Date	Early Adoption (Yes/No)	Deloitte Resources
Final Guidance			
<i>Lack of Exchangeability</i> — amendments to IAS 21 (issued August 15, 2023)	Annual reporting periods beginning on or after January 1, 2025.	Yes	August 23, 2023, iGAAP in Focus
<i>Supplier Finance Arrangements</i> — amendments to IAS 7 and IFRS 7 (issued May 25, 2023)	Annual reporting periods beginning on or after January 1, 2024.	Yes	May 30, 2023, iGAAP in Focus
<i>International Tax Reform — Pillar Two Model Rules</i> — amendments to IAS 12 (issued May 23, 2023)	The amendments require that an entity apply the exception — and the requirement to disclose that it has applied the exception — immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2023. An entity is not required to disclose the information warranted by these requirements for any interim period ending on or before December 31, 2023.	N/A	May 28, 2023, iGAAP in Focus

<i>Non-Current Liabilities With Covenants</i> — amendments to IAS 1 (issued October 27, 2022)	Annual reporting periods beginning on or after January 1, 2024.	Yes	November 2, 2022, iGAAP in Focus
<i>Lease Liability in a Sale and Leaseback</i> — amendments to IFRS 16 (issued September 22, 2022)	Annual reporting periods beginning on or after January 1, 2024.	Yes	September 27, 2022, iGAAP in Focus
<i>Initial Application of IFRS 9 and IFRS 17 — Comparative Information</i> (issued December 9, 2021)	Annual reporting periods beginning on or after January 1, 2023.	Yes, for entities that apply IFRS 9 and IFRS 17.	December 15, 2021, IFRS in Focus
<i>Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction</i> — amendments to IAS 12 (issued May 7, 2021)	Annual reporting periods beginning on or after January 1, 2023.	Yes	May 7, 2021, IFRS in Focus
<i>Disclosure of Accounting Policies</i> — amendments to IAS 1 and IFRS Practice Statement 2 (issued February 12, 2021)	Annual reporting periods beginning on or after January 1, 2023.	Yes	February 15, 2021, IFRS in Focus
<i>Definition of Accounting Estimates</i> — amendments to IAS 8 (issued February 12, 2021)	Annual reporting periods beginning on or after January 1, 2023.	Yes	February 12, 2021, IFRS in Focus
<i>Classification of Liabilities as Current or Non-Current — Deferral of Effective Date</i> — amendment to IAS 1 (issued July 15, 2020)	Annual reporting periods beginning on or after January 1, 2023.	Yes	July 22, 2020, IFRS in Focus
<i>Amendments to IFRS 17</i> (issued June 25, 2020)	Annual reporting periods beginning on or after January 1, 2023.	Yes, for entities that apply IFRS 9 and IFRS 17.	June 29, 2020, IFRS in Focus
<i>Extension of the Temporary Exemption From Applying IFRS 9</i> — amendments to IFRS 4 (issued June 25, 2020)	Annual reporting periods beginning before January 1, 2023.	Yes	
<i>Classification of Liabilities as Current or Non-Current</i> — amendments to IAS 1 (issued January 23, 2020; effective date amended on July 15, 2020)	Annual reporting periods beginning on or after January 1, 2023.	Yes	January 29, 2020, IFRS in Focus
IFRS 17, <i>Insurance Contracts</i> (issued May 18, 2017; effective date amended on June 25, 2020)	Annual reporting periods beginning on or after January 1, 2023.	Yes, for entities that apply IFRS 9 and IFRS 17.	May 18, 2017, IFRS in Focus

ISSB	Effective Date	Early Adoption (Yes/No)	Deloitte Resources
Final Guidance			
IFRS S1, <i>General Requirements for Disclosure of Sustainability-Related Financial Information</i> (issued June 26, 2023)	Annual reporting periods beginning on or after January 1, 2024.	Yes. Entities that choose to early adopt IFRS S1 and IFRS S2 are required to disclose that fact and apply both standards at the same time.	June 26, 2023, DART news item ; June 28, 2023, iGAAP in Focus ; and June 30, 2023, Heads Up
IFRS S2, <i>Climate-Related Disclosures</i> (issued June 26, 2023)	Annual reporting periods beginning on or after January 1, 2024.	Yes. Entities that choose to early adopt IFRS S1 and IFRS S2 are required to disclose that fact and apply both standards at the same time.	June 26, 2023, DART news item ; June 28, 2023, iGAAP in Focus ; and June 30, 2023, Heads Up

Appendix B: Current Status of FASB Projects

This appendix summarizes the current status and next steps for the FASB's active standard-setting projects (excluding research initiatives). New projects are shaded in [green](#).

Project	Status and Next Steps	Deloitte Resources
Recognition and Measurement Projects		
Accounting for and disclosure of software costs	On June 22, 2022, the FASB added to its agenda a project on modernizing the accounting for software costs and enhancing the transparency of an entity's software costs. On March 20, 2024, the FASB decided to pursue targeted improvements to ASC 350-40.	
Accounting for environmental credit programs	<p>On May 25, 2022, the FASB added to its agenda a project on the recognition, measurement, presentation, and disclosure requirements for participants in compliance and voluntary programs that result in the creation of environmental credits (e.g., allowance programs, renewable energy credits, and carbon offset credits). On October 11, 2023, the FASB decided that:</p> <ul style="list-style-type: none"> • An entity would recognize an asset for an environmental credit when it is probable that the credit will be used to settle an environmental credit obligation (ECO) or separately transferred in an exchange transaction. • Costs incurred to obtain other environmental credits would be recognized as an expense when incurred unless the costs are included in the carrying amount of another asset in accordance with other GAAP. • An entity would not remeasure environmental credits when it is probable that they will be used to settle ECOs. • An entity would subsequently measure other environmental credits recognized as assets at historical cost, less impairment losses, if any. <p>On January 31, 2024, the Board decided that:</p> <ul style="list-style-type: none"> • An entity should recognize a liability when activities or events occurring on or before a balance sheet date indicate that an ECO exists. • The funded portion of an ECO liability should be measured at the carrying amount of the related environmental credits as of the balance sheet date. • The unfunded portion of an ECO liability should be measured on the basis of the fair value of the environmental credits necessary to settle the liability. 	<p>Heads Up — #DeloitteESGNow — <i>FASB Makes Tentative Decisions Related to the Accounting for Environmental Credit Programs</i> (October 25, 2023)</p> <p>Heads Up — #DeloitteESGNow — <i>FASB Makes Additional Tentative Decisions Related to the Accounting for Environmental Credit Programs</i> (February 22, 2024)</p> <p>Accounting Spotlight — <i>Accounting and Reporting Considerations for Environmental Credits</i> (October 7, 2022; updated May 11, 2023)</p>

Accounting for government grants	<p>On November 1, 2023, the FASB decided to add to its technical agenda a project on the accounting for the recognition, measurement, and presentation of government grants received by business entities (e.g., transfers of monetary and tangible nonmonetary assets, including forgivable loans). The Board decided that a government grant should be recognized:</p> <ul style="list-style-type: none"> • When it is probable that (1) the entity will comply with the conditions of the grant and (2) the grant will be received. • In the income statement in the periods in which the entity incurs the grant-related costs if the government grant is related to income. • As part of the cost of an asset if the government grant is related to that asset. 	
Codification improvements	<p>General</p> <p>The FASB has a standing project on its agenda to make regular updates and improvements to the Codification (e.g., technical corrections and clarifications).</p> <p>Amendments to Remove References to the Concepts Statements</p> <p>On November 26, 2019, the FASB issued a proposed ASU to make Codification improvements related to removing references to the concepts statements. On October 4, 2023, the FASB directed the staff to draft a final ASU for a vote by written ballot. The FASB expects to issue the final ASU in the first quarter of 2024.</p>	
Financial instruments: credit losses — purchased financial assets	<p>On June 27, 2023, the FASB issued a proposed ASU that would expand the scope of the purchased credit-deteriorated accounting model to financial assets acquired in a business combination and to seasoned financial assets acquired as a result of an asset acquisition or the consolidation of a variable interest entity that is not a business. Comments were due by August 28, 2023. On February 28, 2024, the Board discussed the feedback received.</p>	<p><i>Heads Up</i> — FASB Proposes Amendments to the Accounting for Purchased Financial Assets (July 7, 2023)</p>
Induced conversions of convertible debt instruments (EITF Issue 23-A)	<p>On December 19, 2023, the FASB issued a proposed ASU that would improve the guidance on induced conversions in ASC 470-20. Comments were due by March 18, 2024. The FASB expects to issue the final ASU in the third quarter of 2024.</p>	<p><i>EITF Snapshot</i> (June 2023)</p>
Stock compensation: profits interest awards	<p>On March 21, 2024, the FASB issued ASU 2024-01, which clarifies whether a profits interest or similar award should be accounted for in accordance with ASC 718.</p>	<p><i>Heads Up</i> — FASB Issues Guidance on Profits Interest Awards (March 22, 2024)</p>
ASC 815 — derivatives scope refinements	<p>On December 6, 2023, the FASB decided to add a project to its technical agenda to refine the scope of ASC 815 by incorporating a scope exception for contracts with underlyings based on the operations or activities that are specific to one of the parties to the contract.</p>	
ASC 815 — hedge accounting improvements	<p>On November 12, 2019, the FASB issued a proposed ASU that would make limited amendments to its hedge accounting guidance in response to stakeholder feedback on ASU 2017-12. Comments on the proposed ASU were due by January 13, 2020. The FASB most recently discussed this project on February 7, 2024.</p>	<p><i>Heads Up</i> — FASB Proposes Improvements to Hedge Accounting Guidance (November 26, 2019)</p>

Presentation and Disclosure Projects

Disaggregation — income statement expenses

On July 31, 2023, the FASB issued a **proposed ASU** that is aimed at enhancing the disclosures that PBEs provide in the notes regarding the disaggregation of income statement expenses. Comments were due by October 30, 2023. On January 31, 2024, the Board **discussed** the feedback received.

Heads Up — *FASB Proposes Enhancements to Disclosures Related to Disaggregation of Income Statement Expenses (DISE)* (August 8, 2023)

Interim reporting — narrow-scope improvements

On November 1, 2021, the FASB issued a **proposed ASU** that would modify the disclosure requirements for interim reporting in ASC 270. Comments were due by January 31, 2022. The FASB most recently discussed this project on November 15, 2023. The FASB expects to issue another proposal related to this project in the second quarter of 2024.

Statement of cash flows — targeted improvements

On November 8, 2023, the FASB **decided** to add to its technical agenda a project in which targeted improvements would be made to the statement of cash flows. Initially, the scope of the project is limited to (1) reorganizing and disaggregating the statement of cash flows for financial institutions and (2) developing disclosures about an entity's cash interest income received.

Framework Projects

Conceptual framework — measurement

On December 21, 2023, the FASB issued a **proposed new chapter** of its conceptual framework that would contain concepts for the Board to consider when selecting a measurement system for financial statement items. Comments were due by March 20, 2024. The FASB expects to finalize the chapter in the second quarter of 2024.

Appendix C: New and Updated Deloitte U.S. Accounting Publications

Roadmap Series

Greenhouse Gas Protocol Reporting Considerations (January 2024)

Heads Up Newsletters

FASB Issues Guidance on Profits Interest Awards (March 22, 2024)

Comprehensive Analysis of the SEC's Landmark Climate Disclosure Rule (March 15, 2024)

Executive Summary of the SEC's Landmark Climate Disclosure Rule (March 6, 2024)

#DeloitteESGNow — Frequently Asked Questions About the E.U. Corporate Sustainability Directive (August 1, 2023; updated February 23, 2024)

#DeloitteESGNow — FASB Makes Additional Tentative Decisions Related to the Accounting for Environmental Credit Programs (February 22, 2024)

SEC Issues Final Rule Related to SPACs, Shell Companies, and Projections (February 6, 2024)

FASB Issues ASU on Income Tax Disclosures (January 18, 2024)

Financial Reporting Alert Newsletter

Frequently Asked Questions About "Pillar Two" (March 5, 2024)

Financial Reporting Spotlight Newsletter

Disclosure Trends From the 2023 Reporting Season (March 2024)

Industry Publication

Life Sciences Industry Accounting Guide (March 2024)

Dbriefs for Financial Executives

We invite you to participate in [Dbriefs](#), Deloitte’s live webcasts that give you valuable insights into important developments affecting your business. Topics covered in the [Dbriefs for Financial Executives](#) series include financial reporting, tax accounting, business strategy, governance, and risk. Dbriefs also provide a convenient and flexible way to earn CPE credit — right at your desk.

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

Further information about the standard setters can be found on their respective Web sites as follows: [www.fasb.org](#) (FASB); <https://www.fasb.org/page/PageContent?pagelid=about-us/advisory-groups/eitf/openissuesandproposedagenda.html> (EITF); <https://www.aicpa-cima.com/home> (AICPA & CIMA); [www.sec.gov](#) (SEC); <https://pcaobus.org> (PCAOB); <https://fasab.gov> (FASAB); [www.gasb.org](#) (GASB); and [www.ifrs.org](#) (IASB and ISSB).

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