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January 2022

Keeping you informed

Fourth quarter accounting and financial reporting developments



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Message from Sydney Garmong

Partner, National Office



Dear readers,

I hope you enjoyed last quarter's holidays and your 2022 new year is off to a great start.

Interest continues to build on environmental, social, and governance (ESG) reporting. This quarter brought the creation of a new standard-setting board – the International Sustainability Standards Board (ISSB) –

to meet the investor demand for reporting on climate and other ESG matters. We expect to see SEC rule proposals issued for comment in the near term.

I am grateful to my Crowe colleagues Tony Boras, Alissa Doherty, and Jason Eaves for their significant contributions to this publication. We hope you find this report useful, and we welcome any feedback.

Fourth quarter highlights

During the fourth quarter of the 2021 calendar year, the Financial Accounting Standards Board (FASB) issued four new accounting standards addressing the following topics:

- Private company practical expedient for equity-classified share-based awards
- Accounting for acquired revenue contracts in a business combination
- Discount rate guidance for lessees
- Disclosures by business entities about government assistance

The FASB also issued proposals addressing interim disclosure requirements, troubled debt restructurings and vintage disclosures, and supplier finance program disclosures.

The Securities and Exchange Commission (SEC) participated in the annual American Institute of CPAs (AICPA) and Chartered Institute of Management Accountants (CIMA) Conference on Current SEC and Public Company Accounting Oversight Board (PCAOB) Developments; issued statements on independent audits and effective audit committee oversight, London Interbank Offered Rate transition, special purpose acquisition companies, and crypto assets; adopted new proxy rules; issued guidance on spring-loaded executive compensation and shareholder proposals; and proposed amendments to proxy voting advice rules and to increase securities lending market transparency, among other proposals.

The PCAOB adopted a final inspection and investigations rule, issued a preview of 2020 inspection observations, participated in the AICPA-CIMA conference, and announced new board members. The AICPA issued the credit losses audit and accounting guide.

The Center for Audit Quality published its audit committee transparency barometer report.

In addition to these highlights from the quarter, we have included recent developments from the Governmental Accounting Standards Board (GASB).

Checklists for the effective dates of FASB Accounting Standards Updates and GASB statements are provided in the appendix.

From the FASB

Final standards

Private company practical expedient for equity-classified share-based awards

On Oct. 25, 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2021-07, "[Compensation – Stock Compensation \(Topic 718\): Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards](#)," to reduce the cost and complexity for nonpublic business entities in accounting for equity-classified share-based awards as compensation to employees and nonemployees. The ASU provides an option to elect a practical expedient to determine the current price input of equity-classified share-based awards issued as compensation using the reasonable application of a reasonable valuation method, consistent with U.S. Department of the Treasury regulations related to Section 409A of the U.S. Internal Revenue Code (IRC). The practical expedient can be elected for equity-classified share-based awards within the scope of Accounting Standards Codification (ASC) Topic 718, "Stock Compensation."

For more information, read the Crowe article "[ASU 2021-07: Equity-Classified Share-Based Award Measurement](#)."

Effective dates

The ASU is effective on a prospective basis for fiscal years beginning after Dec. 15, 2021, and interim periods within fiscal years beginning after Dec. 15, 2022. Early application is permitted.

Acquired revenue contracts in a business combination

On Oct. 28, 2021, the FASB issued ASU 2021-08, "[Business Combinations \(Topic 805\): Accounting for Contract Assets and Contract Liabilities From Contracts With Customers](#)," to address diversity in practice. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts instead of at fair value. The ASU also provides certain practical expedients and applies to contract assets and liabilities from other contracts to which the provisions of Topic 606 apply.

Effective dates

For public business entities (PBEs), the amendments are effective for fiscal years beginning after Dec. 15, 2022, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after Dec. 15, 2023, including interim periods within those fiscal years. The amendments should be applied prospectively to business combinations occurring on or after the effective date of the amendments. Early adoption is permitted. If early adopted in an interim period, the entity should apply the amendments 1) retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early application and 2) prospectively to all business combinations that occur on or after the date of initial application.

Discount rate guidance for lessees

On Nov. 11, 2021, the FASB issued ASU 2021-09, "Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities," to provide entities that are not PBEs with more flexibility in how they determine the discount rate and make the risk-free rate election to reduce implementation costs. Prior to this update, Topic 842 provided lessees that are not PBEs with a practical expedient to elect an accounting policy to use a risk-free rate as the discount rate for all leases. The amendments allow those lessees to make the risk-free rate election by class of underlying asset rather than at the entitywide level. In making the risk-free rate election, entities are required to disclose to which asset classes it has elected to apply the risk-free rate. Under the ASU, when the rate implicit in the lease is readily determinable for any individual lease, the lessee would use that rate regardless of whether it has made a risk-free rate election.

Effective dates

For entities that have not adopted Topic 842, the amendments are effective when they adopt Topic 842. For entities that already have adopted Topic 842, the amendments are effective for fiscal years beginning after Dec. 15, 2021, and interim periods within fiscal years beginning after Dec. 15, 2022. Early adoption is permitted.

Disclosures about government assistance

On Nov. 17, 2021, the FASB issued ASU 2021-10, "[Government Assistance \(Topic 832\): Disclosures by Business Entities About Government Assistance](#)," to increase transparency by requiring business entities to disclose information about certain types of government assistance they receive, including cash grants and grants of other assets.

The ASU requires annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy to other accounting guidance such as a grant model within Subtopic 958-605, "Not-for-Profit Entities – Revenue Recognition," or International Accounting Standards 20, "Accounting for Government Grants and Disclosure of Government Assistance." Required disclosures include:

- The nature of the transactions
- The related accounting policy used to account for the transactions
- Amounts presented in the financial statement by line item
- Significant terms and conditions of the transactions, including commitments and contingencies

Effective dates

The amendments are effective for all entities, excluding not-for-profit entities and employee benefit plans, that account for a transaction with a government by applying a grant or contribution accounting model by analogy to other accounting guidance, for financial statements issued for annual periods beginning after Dec. 15, 2021. Early application is permitted.

Proposals

Interim disclosure requirements

On Nov. 1, 2021, the FASB issued a proposed ASU, "[Interim Reporting \(Topic 270\): Disclosure Framework – Changes to Interim Disclosure Requirements](#)," that introduces a disclosure principle for interim reporting. Specifically, the proposed ASU removes the phrase "at a minimum" and encourages assessing materiality when entities evaluate interim disclosure requirements. The principle is designed to require event- or transaction-specific disclosure when there is a material effect on an entity. The proposed guidance provides clarification to presentation and disclosure alternatives for interim financial statements and consolidates all interim reporting requirements under one topic.

The proposed ASU does not yet include an effective date.

Comments are due Jan. 31, 2022.

Troubled debt restructurings (TDRs) and vintage disclosures

On Nov. 23, 2021, the FASB issued a proposed ASU, “Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures,” addressing areas identified as part of its post-implementation review of the CECL standard. The proposed amendments would eliminate the accounting guidance for TDRs by creditors while enhancing disclosure requirements for loan refinancings and restructurings by creditors made to borrowers experiencing financial difficulty. Under the proposal, an entity would apply the loan refinancing and restructuring guidance in paragraphs 310-20-35-9 to 35-11 to determine whether a modification results in a new loan or a continuation of an existing loan. Related to vintage disclosures, the proposed ASU would require that a public business entity disclose current period gross write-offs by year of origination for financing receivables and net investments in leases.

The proposed ASU does not yet include an effective date.

Comments were due Dec. 23, 2021.

Supplier finance program disclosures

On Dec. 20, 2021, the FASB issued a proposed ASU, “Liabilities – Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations,” which would require a buyer in a supplier finance program to disclose sufficient information about the program to allow a user of financial statements to understand the program’s nature, activity during the period, changes from period to period, and potential magnitude. Supplier finance programs allow a buyer to offer its suppliers the option to access payment in advance of an invoice due date, which is paid by a third-party finance provider or intermediary on the basis of invoices that the buyer has confirmed are valid. The proposed amendments would require the buyer to disclose the key terms of the program along with additional information regarding the obligation amount including the amount outstanding as of the end of the period, a description of where the amount is presented on the balance sheet, and changes in that amount during the period.

The proposed ASU does not yet include an effective date.

Comments are due March 21, 2022.

From the SEC

Annual Conference on Current SEC and PCAOB Developments

AICPA and CIMA annual conference

The American Institute of CPAs (AICPA) and the Chartered Institute of Management Accountants (CIMA) held the annual Conference on Current Securities and Exchange Commission (SEC) and Public Company Accounting Oversight Board (PCAOB) Developments in Washington, D.C., Dec. 6-8, 2021. Topics of the conference included:

- Stakeholder roles in fostering high-quality financial reporting
- Environmental, social, and governance (ESG) matters
- Adapting to continuous change

Various stakeholders including preparers, regulators, standard-setters, auditors, users, and others presented the audience with wide-ranging perspectives.

Focus of the Office of the Chief Accountant

On Dec. 6, 2021, acting SEC Chief Accountant Paul Munter issued a [statement](#) on the Office of the Chief Accountant's (OCA) continued focus on high-quality financial reporting in a complex environment. In his statement, he described the OCA's role in the financial reporting system and shared information about its current priorities and its work related to rulemaking activities, oversight of standard-setting, implementation and application of standards, and application of auditor independence requirements. Munter also described the critical role of various stakeholder groups, including accounting standard-setters, preparers, auditors, and audit committees, and he shared observations regarding key areas of focus for each stakeholder group to promote and produce high-quality financial reporting for investors.

Munter identified these elements of high-quality financial reporting: high-quality accounting standard-setting, high-quality implementation and application of those standards, and high-quality audits. He noted that these are necessary to make sure that investors have the information they need to make well-informed investment decisions. To this end, the OCA supports the SEC's rulemaking activities, accounting standard-setting oversight, efforts to promote effective implementation and application of those accounting standards, and PCAOB oversight.

Munter highlighted three rulemaking agenda items that are top of mind for most stakeholders: climate risk disclosures, trading prohibitions under the *Holding Foreign Companies Accountable Act* , and recovery of erroneously awarded compensation. He discussed each of these items in detail, identifying how the SEC and others have been addressing these during the year through guidance, recommendations, and requests.

Munter also said that high-quality financial reporting cannot be achieved without high-quality accounting standards and that one of the OCA's main objectives is to promote the development of such standards. This is accomplished by assisting the SEC in its oversight of FASB standard-setting and by promoting high-quality international financial reporting standards and accounting consultations.

Shortly after issuing his statement, on Dec. 6, Munter, with other members of OCA leadership including John Vanosdall and Diana Stoltzfus, both deputy chief accountants, conducted a panel discussion at the AICPA-CIMA conference. The discussion expanded on the themes identified in Munter's prepared statement and provided additional thoughts on topics such as ESG, materiality considerations, consultations, independence, and standard-setting.

Office of the Chief Accountant staff remarks

Representatives from OCA staff on Dec. 6, 2021, reviewed various topics the staff has addressed in the past year, including:

- Consultation themes such as revenue recognition, special purpose acquisition companies (SPACs), digital assets, and segments
- Independence matters
- International activities, including monitoring of international standard-setting bodies
- Audit matters such as role in overseeing the PCAOB and the importance of effective internal control over financial reporting (ICFR)
- Stakeholder engagement

As a reminder of the importance of auditor independence, the OCA staff panel discussion closed with that topic, including advice that auditor independence should not be an afterthought when an entity negotiates the terms of a merger transaction.

Focus of the Division of Corporation Finance

On Dec. 7, 2021, SEC Division of Corporation Finance (Corp Fin) Director Renee Jones; Chief Accountant Lindsay McCord; Craig Olinger, senior adviser to the chief accountant; and deputy chief accountants Sarah Lowe and Melissa Rocha provided an overview of recent activities at Corp Fin that affect accounting and reporting for 2021 year-end filings. Topics included:

- Staff challenges, including volume of transactions and filings
- Special purpose acquisition companies
- Climate change disclosure
- Restatements and materiality considerations
- China-based issuers
- Non-GAAP measures and key performance metrics
- Segment reporting
- Spinoff transactions

McCord also provided Corp Fin remarks during the end-of-day question-and-answer session with some observations on the implementation questions the staff fielded on the now effective final rule (from Nov. 19, 2020), “Management’s Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information.”

Enforcement director and chief accountant remarks

On Dec. 9, 2021, at the AICPA-CIMA conference, SEC Division of Enforcement Director Gurbir Grewal and Chief Accountant Matthew Jacques observed that trust in the capital markets rests on three pillars of robust:

- Enforcement
- Remedies
- Compliance

If all three pillars are solid, then the financial reporting ecosystem will build and enhance trust. Grewal remarked that the first two pillars rest on regulators, and his intent is to quickly bring enforcement actions with specific, tailored remedies designed as deterrents. Compliance falls to gatekeepers, and Grewal and Jacques encouraged gatekeepers to hold companies accountable and not succumb to undue pressures.

Grewal provided three example cases the staff had brought during 2021 and remarked on three takeaways:

- Transparency disclosure of how an entity reached numbers is as important as the accuracy of those numbers.
- Effective internal accounting controls are critical to companies and investors alike.
- Accounting is not an “aspirational” reporting model. Companies should take care to report what actually happened and not what the company hoped would happen.

Jacques reminded participants that the pandemic continues to affect financial reporting and challenged all stakeholders to evaluate the current state of their internal controls. He also provided reminders of the importance of materiality in the evaluation of both accounting errors and the effectiveness of ICFR.

Internal controls

Commissioner remarks on internal controls

On Nov. 16, 2021, at a conference on controlling internal controls, Commissioner Caroline Crenshaw spoke about ESG matters, digital assets, and internal accounting controls. Crenshaw identified ESG risks as some of the most pressing issues for public companies and investors and said that the reliability of corporate ESG risk disclosures and their potential impact on and connectivity to financial statements is critical. She said that corporate internal controls play a vital role in making sure that ESG risk disclosures are consistent and reliable and reiterated that management is responsible for establishing and maintaining an effective system of internal controls.

In her remarks, she noted that internal accounting controls must evolve with the markets. She discussed the importance of assessing whether existing corporate internal accounting controls are sufficient to provide reasonable assurances that each business and its assets are adequately controlled. Concentrating first on cybersecurity, Crenshaw noted that she was particularly interested in understanding how public companies are responding to cybersecurity intrusions and attacks, which create threats to management’s ability to safeguard the company’s assets.

Crenshaw shared her thoughts on identifying and measuring climate change risk and her interest in understanding how companies are determining whether and how financial statements are affected by it; how assumptions used to reach these determinations are set, tested, and reevaluated over time; and how disclosures are formulated. Lastly, she touched on safeguarding digital assets and noted that it is critical for companies to consider, among other things, whether the internal accounting controls frameworks safeguarding these assets are working, how they need to be modified from existing frameworks, and what changes need to be implemented.

Public statements and announcements

Testimony before the House committee

Oct. 5, 2021, SEC Chair Gary Gensler testified before the U.S. House of Representatives Committee on Financial Services. Gensler addressed market structure, predictive data analytics, disclosures, and funds and investment management. He closed with comments on enforcement and examinations and resources at the SEC.

Gensler discussed the Treasury market, non-Treasury fixed income markets, equity markets, security-based swaps, and crypto asset markets and described the market structure-based projects that he has asked SEC staff to review. These projects include enhancing resiliency and competition in the Treasury market, reconsidering some initiatives on Treasury trading platforms, bringing greater efficiency and transparency to the non-Treasury fixed income markets, and updating the SEC's rules to address new technologies. He described the rules going into effect this year and next year for security-based swaps and the rules in process for the registration and regulation of security-based swap execution facilities. He also identified the need for additional investor protections in crypto finance, issuance, trading, and lending and the need to work with other regulators on this.

After touching on the potential conflicts and systemic risk that might arise with predictive data analytics, Gensler spoke about the importance of consistent, comparable, and decision-useful disclosures related to climate risk, human capital, and cybersecurity. He also discussed SPACs and his request to staff for recommendations on enhancing SPAC disclosures. Gensler provided testimony related to enhancing disclosures with regard to how Chinese companies issue securities in the U.S. Finally, he mentioned tightening insider trading rules.

While discussing funds and investment management, he highlighted the increasing number of funds that market themselves as "green," "sustainable," "low-carbon," and similar. Gensler noted the importance of understanding what supports those claims and shared that the SEC staff is developing a proposal on cybersecurity risk governance, which will address issues such as cyberhygiene and incident reporting.

Independent audits and effective audit committee oversight

On Oct. 26, 2021, SEC acting Chief Accountant Munter issued a [statement](#) addressing the importance of high-quality independent audits and effective audit committee oversight to high-quality financial reporting to investors. He noted the upcoming 20th anniversary of the *Sarbanes-Oxley Act* (SOX) and said that “it is critical for all gatekeepers in the financial reporting ecosystem (auditors, management, and their audit committees) to maintain constant vigilance in the faithful implementation of the requirements of SOX by fulfilling their shared responsibilities to continue to produce high quality financial disclosures that are decision-useful to investors and maintain the public trust in our capital markets. An integral part of the faithful implementation of SOX is for audit firms to remain independent of their audit clients and for audit committees to take ownership of their oversight responsibilities with respect to the independent auditor.”

While emphasizing the importance of understanding and applying the general standard of independence, Munter identified auditor independence as “foundational to the credibility of financial statements.” He went on to discuss the responsibilities of audit committees, management, and audit firms in considering independence. He warned that as companies pursue access to public markets through new and innovative transactions, and audit firms continue to expand business relationships and nonaudit services, independence must always be considered. Further, Munter highlighted the importance of audit committee oversight of the independent auditor. He stressed that audit committees play a key role in the external independent audit process and that an effective audit committee enhances the auditor’s independence. In his closing, he shared that the gatekeepers should work together and that an effective audit committee overseeing the independent audit is critical to providing high-quality financial information to the capital markets.

Market volatility report

The SEC staff issued, on Oct. 18, 2021, a report titled, “Staff Report on Equity and Options Market Structure Conditions in Early 2021.” The report provides a description of the U.S. market structure and securities regulatory framework and examines what happened with GameStop Corp. stock, a “meme stock,” which experienced dramatic increases in its share price in January 2021. The report examines trading activity of GameStop stock, increasing individual investor participation, short selling, and trading restrictions, among other topics.

The report proposes that “meme stock” events present an opportunity to reflect on the market structure and regulatory framework and identifies the following areas for potential study in the interests of protecting investors; maintaining fair, orderly, and efficient markets; and facilitating capital formation:

- Forces that might cause a brokerage to restrict trading
- Digital engagement practices and payment for order flow
- Trading in dark pools and through wholesalers
- Short selling and market dynamics

Also on Oct. 18, Gensler released a statement on the staff report, and Commissioners Hester M. Peirce and Elad L. Roisman released a separate statement. Gensler highlighted the importance of furthering efforts to make equity markets as fair, orderly, and efficient as possible. Saying they “looking forward to a robust policy discussion,” Peirce and Roisman stated, “We always should be on the lookout for ways to improve our rules and our markets.” However, they noted that “it does not appear that many conclusions can be drawn from the data [in the report].”

Remarks on LIBOR

On Sept. 20, 2021, Chair Gensler spoke on the London Interbank Offered Rate (LIBOR) to the “SOFR Symposium” hosted by the Fed’s Alternative Reference Rates Committee. He gave a short history of LIBOR transition and reiterated his June 11 message that the Bloomberg Short-Term Bank Yield Index (BSBY), championed by certain commercial banks as an alternative to LIBOR, might have the same conceptual perils as LIBOR. In conclusion, he shared that he agreed with the committee that the Secured Overnight Financing Rate (SOFR) is a preferable alternative rate.

Staff statement on LIBOR transition

The SEC, on Dec. 7, 2021, published [“SEC Staff Statement on LIBOR Transition – Key Considerations for Market Participants”](#) as a reminder to investment professionals of their obligations when recommending securities linked to the LIBOR. It also reminds companies and asset-backed securities issuers of their disclosure obligations related to LIBOR transition. This statement follows previous staff statements addressing other aspects of the approaching LIBOR transition and addresses:

- Background and general considerations for market participants
- Broker-dealer registrants: recommendations to retail customers
- Broker-dealer registrants: municipal securities underwriting and sales to customers
- Registered investment advisers and funds
- Disclosure considerations for public companies and asset-backed securities issuers

SEC commissioner remarks on risks

On Sept. 24, 2021, before the “Symposium on Building the Financial System of the 21st Century” hosted by the Program on International Financial Systems and Harvard Law School, Commissioner Crenshaw presented [remarks](#) on assessing risks. She warned, “In times of consistent and positive stock market returns, we should not be lulled into complacency,” and said market participants and regulators must continually be aware of and assess risks. Crenshaw added, “the difficulty of anticipating the unknown does not relieve us of our responsibility to be proactive.”

Crenshaw noted that risks are both from within the financial system and external. Related to risks within, Crenshaw discussed riskier investments with higher yields, swaps, and options trading. She said, “Effective compliance and risk management at financial institutions doesn’t just protect those institutions and their shareholders, it also helps make financial markets more resilient.” She shared that some of these investments and strategies are very risky and can result in significant losses. For external risks, Crenshaw concentrated her remarks on climate, cybersecurity, and geopolitical risks. She further highlighted actions the SEC is taking relating to these risks and stressed the need for disclosures.

Chair and commissioners crypto markets remarks

On, Dec. 2, 2021, SEC Chair Gensler and Commissioner Hester Peirce delivered remarks before the Investor Advisory Committee on crypto markets and regulatory concerns.

Gensler shared thoughts on the crypto markets, including:

- The markets have been catalysts for change and innovation.
- As this asset class has \$2.6 trillion aggregate market capitalization, it belongs inside public policy.
- The asset class is full of fraud, scams, and abuse.
- Crypto does not have sufficient investor protection, and existing protections have significant gaps.

He said these leave the crypto markets open to manipulation and investors vulnerable. He warned that it is best to be preemptive in addressing investor protection and not wait until a major issue arises. Further he cautioned that “financial innovations throughout history don’t long thrive outside of our public policy frameworks.”

In her remarks, Peirce also reiterated the importance of investor protections in the crypto markets and specifically touched on other areas of investor protection that are important to consider, including:

- **Regulatory clarity.** Peirce said that the SEC has not provided clarity in response to repeated questions, which has led to enforcement actions. She requested the committee urge the SEC to address the tough questions surrounding the crypto markets’ identification, trading, platforms, and custody.
- **Investor access.** She noted that while the SEC recently started permitting bitcoin futures-based exchange-traded funds, the commission has yet to approve a spot exchange-traded product.
- **Individual liberty.** She wondered if the SEC could regulate with a “lighter hand” so as to not use regulation to force investors into the SEC’s “comfort zone.”

In addition to the remarks made by Gensler and Peirce, The International Journal of Blockchain Law published a statement by Commissioner Crenshaw on Nov. 9, 2021. Crenshaw’s article includes a discussion of the advantages and shortfalls of decentralized finance (DeFi). She says that DeFi presents a multitude of opportunities; however, it also poses important risks and challenges for regulators, investors, and the financial markets. She includes background on the current regulatory landscape for DeFi, the SEC’s role, and two structural hurdles that should be addressed. The hurdles that Crenshaw identifies are the pseudonymity and lack of transparency, both of which make it easier to conceal manipulation.

Chair response to report on stablecoin regulations

In a [report released](#) on Nov. 1, 2021, the President's Working Group on Financial Markets, working in conjunction with the Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency, examines potential risks and regulatory gaps related to stablecoins, cryptocurrencies that are valued by a specified reserve asset, and offers recommendations for mitigating these risks. The report outlines some background on the growing use of stablecoins in the U.S. digital asset markets and describes a range of risks associated with increased stablecoin-related activities including risk of fraud, misappropriation, conflict of interest, market manipulation, money laundering, and terrorist financing, among others.

In response, SEC Chair Gensler issued, on Nov. 1, 2021, a [statement](#) describing the report as thoughtful. He said the use of stablecoins presents many public policy challenges, and the SEC and the Commodity Futures Trading Commission (CFTC) will deploy, as applicable, the full protections of the federal securities laws and the *Commodity Exchange Act* to stablecoin arrangements.

Remarks on SPACs

Chair Gensler presented prepared [remarks](#) before the Small Business Capital Formation Advisory Committee on Sept. 27, 2021. Gensler concentrated his remarks on the unprecedented surge in SPACs, which provide an alternative to traditional IPOs. He said the many costs of SPACs include sponsor fees, dilution for the private investment in public equity investors, and fees for investment banks and financial advisers. He has requested recommendations from the SEC staff about how the SEC might update its rules so that investors are better informed about the fees, costs, and conflicts that might exist with SPACs. He said that enhanced disclosures and other provisions can increase competition in this market and shared a final thought that “it is worth considering what we have learned from SPACs and direct listings, and whether there are any changes that might be appropriate for traditional IPOs.”

At the Healthy Markets Association Conference on Dec. 9, 2021, Gensler delivered a [speech](#) on the use of SPACs to go public. He said that SPACs have many moving parts and a two-step structure that creates additional conflicts, including conflicts between investors that remain throughout the deal and those that cash out after voting. Gensler has requested that the SEC staff offer proposals about “how to better align the legal treatment of SPACs and their participants with the investor protections provided in other IPOs, with respect to disclosure, marketing practices, and gatekeeper obligations.”

Additionally, Gensler has asked the SEC to provide recommendations about how investors might be better informed about the fees, projections, dilution, and conflicts that may exist during all stages of SPACs and how investors can receive those disclosures at the time they're deciding whether to invest. As part of this process, the SEC staff is also considering clarifying disclosure obligations under existing rules.

Gensler also discussed concerns about who is performing the role of “gatekeeper” in the SPAC transaction process. He noted that gatekeepers may include directors, officers, SPAC sponsors, financial advisers, and accountants. He said that some might “attempt to use SPACs as a way to arbitrage liability regimes. Many gatekeepers carry out functionally the same role as they would in a traditional IPO but may not be performing the due diligence that we’ve come to expect.” With regard to liability, he warned that “SPACs do not provide a ‘free pass’ for gatekeepers.” Recommendations are expected from the SEC staff about how the SEC can better align incentives between gatekeepers and investors as well as how the SEC can address the status of gatekeepers’ liability obligations. Gensler reminded the audience that as these recommendations are being developed, the SEC’s Division of Enforcement will continue to make sure that investors are being protected in the SPAC area.

Rules and guidance

Regulatory agenda updates

In December 2021, the SEC announced updates to its [regulatory agenda](#), which lists short- and long-term regulatory actions the SEC plans to take. The revised agenda provides updated forecasts for potential rulemaking action on various topics including climate change, human capital, board diversity, and cybersecurity governance. Commissioners Roisman and Peirce [communicated](#) alternative perspectives on certain aspects of Chair Gensler’s regulatory agenda on Dec. 13.

New proxy rules for contested elections

On Nov. 17, 2021, the SEC [adopted](#) final rules that require parties in a contested election to use universal proxy cards that include all director nominees presented for election at a shareholder meeting. The rule changes will allow shareholders to vote by proxy for their preferred combination of board candidates – similar to the rules for in-person voting. Additionally, to further facilitate shareholder voting in director elections, the SEC adopted amendments to make sure that proxy cards clearly specify the applicable shareholder voting options in all director elections and to require proxy statements to disclose the effect of a shareholder’s election to withhold its vote. Compliance with the rules, which will be applicable to all nonexempt solicitations for contested elections other than those involving registered investment companies and business development companies, will be required for any shareholder meeting involving contested director election held after Aug. 31, 2022.

In response to the final rules, Commissioners [Crenshaw](#), [Allison Herren Lee](#), [Roisman](#), and [Peirce](#) all issued statements.

Guidance on spring-loaded compensation of executives

On Nov. 29, 2021, SEC staff issued [Staff Accounting Bulletin No. 120](#), which outlines new interpretive guidance on “spring-loaded” awards to executives, and estimating the fair value of share-based payment transactions under ASC Topic 718, “Compensation – Stock Compensation,” when an entity has not yet released known and material nonpublic information. Spring-loaded awards are share-based payments granted shortly before the release of market-moving information, such as an earnings release with better-than-expected results or the disclosure of a significant transaction. SEC staff observes that spring-loaded awards should receive particular scrutiny from those charged with governance over a public entity’s compensation and financial reporting. In addition, any incremental value related to the anticipated release of material nonpublic information should be considered as an entity measures compensation cost for such awards.

The new guidance addresses whether adjustments to the current share price or the expected volatility assumption are appropriate when using a measurement method based on fair value for share-based payment transactions. The staff provides examples of when adjustments might be necessary and also offers reminders of an entity’s corporate governance and disclosure obligations as well as the need to maintain effective ICFR.

Shareholder proposal guidance

The SEC’s Corp Fin, on Nov. 3, 2021, issued [Staff Legal Bulletin \(SLB\) No. 14L](#), “Shareholder Proposals,” to provide information for companies and shareholders regarding Rule 14a of the *Securities Exchange Act of 1934*, which allows companies to exclude shareholder proposals from their proxy statements in certain circumstances.

Companies regularly request assurance that SEC staff will not recommend enforcement action if they omit a proposal based on one of the exclusions (“no-action relief”) set forth in Rule 14a-8. Accordingly, Corp Fin has issued this bulletin to streamline and simplify the process of reviewing no-action relief requests and to provide clarification of the standards applied to evaluate such requests. Upon issuance, this SLB replaces previously issued SLBs 14I, 14J, and 14K and provides guidance relating to proof of ownership letters and the use of graphics and images. The bulletin also provides new guidance on the use of email for submission of proposals, delivery of notice of defects, and responses to those notices.

This bulletin is not an SEC rule, regulation, or statement and does not alter or amend applicable law, and it creates no new or additional obligations.

In response to the issuance of the bulletin, SEC Chair Gensler issued a [statement](#), on Nov. 3, 2021, saying that the bulletin is consistent with the SEC's original intent under Rule 14a-8 and will provide greater clarity to companies and shareholders on when exclusions may or may not apply.

Offering alternative views on the shareholder proposal guidance, Commissioners Peirce and Roisman also issued a [statement](#) on Nov. 3, 2021. Peirce and Roisman say the new guidance fails to address the issues that the three rescinded bulletins were trying to resolve.

New policy on Rule 14a-8 no-action requests

On Dec. 13, 2021, Corp Fin staff issued "[Announcement Regarding Staff Responses to Rule 14a-8 No-Action Requests](#)," announcing a change in practice effective immediately. In 2019, Corp Fin discontinued its practice of responding to each shareholder proposal "no-action request" with a written letter and communicated the majority of responses through notations to a chart maintained on their website, except in very limited cases. Effective with the release of the announcement, Corp Fin will return to responding to each shareholder proposal no-action request with a written letter.

Proposals

Amendments to proxy voting advice rules

On Nov. 17, 2021, the SEC [approved](#) for public comment [proposed amendments](#) to its rules governing proxy voting advice. First, the SEC is proposing to rescind conditions to the availability of two exemptions from the proxy rules' informational and filing requirements on which proxy voting advice businesses often rely. Second, the proposed amendments would rescind the 2020 changes made to the proxy rules' liability provision.

Comments were due Dec. 27, 2021.

Commissioners [Crenshaw](#), [Lee](#), [Roisman](#), and [Peirce](#) issued statements on the proposed proxy voting advice.

Proposal to increase securities lending market transparency

The SEC, on Nov. 18, 2021, published a proposed rule on the reporting of securities loans. The rule is intended to strengthen the transparency and efficiency of the securities lending market. It would require lenders of securities to provide the material terms of securities lending transactions to a registered national securities association. That association would then make available to the public certain information concerning each transaction and aggregate information on securities on loan and available to loan.

Concurrent with the release of this proposal, Chair Gensler released a statement noting that securities lending and borrowing is an important part of the U.S. market structure and that the public benefits from transparency and competition. Gensler said, “It’s important that market participants have access to fair, accurate, and timely information,” and “this proposal would bring securities lending out of the dark.”

Comments were due Jan. 7, 2022.

Proposed amendments to share repurchase disclosures and reporting

On Dec. 15, 2021, the SEC issued proposed amendments to its rules covering disclosure about an issuer’s repurchases of its equity securities, commonly known as share buybacks. The proposed rules would apply to issuers that repurchase securities registered under Section 12 of the *Securities Exchange Act of 1934*, including foreign private issuers and certain registered closed-end funds. Under the proposed amendments, issuers would be required to complete and provide a new Form SR before the end of the first business day following the day the issuer executes a share repurchase. This new form would include disclosure of the class of securities purchased, total amount purchased, average price paid, and the aggregate total amount purchased on the open market in reliance on the safe harbor in *Exchange Act* Rule 10b-18 or pursuant to a plan that is intended to satisfy the affirmative defense conditions of *Exchange Act* Rule 10b5-1(c).

Additionally, the proposed rules would require an issuer to disclose:

- The objective or rationale for the share repurchases and the process or criteria used to determine the amounts of repurchases
- Any policies and procedures relating to purchases and sales of the issuer’s securities by its officers and directors during a repurchase program, including any restriction
- Whether the issuer is making its repurchases pursuant to a plan that it intends to satisfy the affirmative defense conditions of *Exchange Act* Rule 10b5-1(c) and/or the conditions of the *Exchange Act* Rule 10b-18 nonexclusive safe harbor

Comments are due 45 days after publication in the Federal Register.

Proposed amendments to insider trading plans and related disclosures

The SEC, on Dec. 15, 2021, issued a proposal, “Rule 10b5-1 and Insider Trading,” for public comment. This proposal includes amendments to Rule 10b5-1 under the *Securities Exchange Act of 1934* to enhance disclosure requirements and investor protections against insider trading. The proposal includes updates to Rule 10b5-1(c), which provides an affirmative defense to insider trading for parties that frequently have access to material nonpublic information, including corporate officers, directors, and issuers.

The amendments would update the requirements for the affirmative defense by imposing a cooling-off period before trading could commence under a trading plan, prohibiting overlapping trading plans, and limiting single trade plans to one trading plan in any 12-month period. Additionally, the proposal would require directors and officers to furnish written certifications that they are not aware of any material nonpublic information when they enter into the plans. New disclosures about an issuer’s policies and procedures related to insider trading and practices around the timing of options grants and the release of material nonpublic information also would be required. A new table would report any options granted within 14 days of the release of material nonpublic information and the market price of the underlying securities on the trading days before and after the disclosure of the material nonpublic information.

Comments are due 45 days after publication in the Federal Register.

Staffing updates

On Dec. 20, 2021, Commissioner Roisman announced his intention to resign his position as commissioner by the end of January 2022.

On Sept. 28, 2021, the SEC announced that Dan Berkovitz, a CFTC commissioner, has been named SEC general counsel, effective Nov. 1, 2021. Berkovitz will replace John Coates, who will return to teaching at Harvard University. Berkovitz has served as a CFTC commissioner since September 2018. Prior to that he was a partner and co-chair of the futures and derivatives practice at the law firm WilmerHale, an adjunct professor at Georgetown University Law School, and vice chair of the American Bar Association Committee on Derivatives and Futures Law. He also served as the CFTC’s general counsel from 2009 to 2013.

From the PCAOB

Strategic plan

On Nov. 23, 2021, the PCAOB approved its fiscal year 2022 budget based on its five-year strategic plan for 2020 through 2024. The strategic plan guides the PCAOB's programs, operations, and budget.

The plan includes the following goals:

- “Drive improvement in the quality of audit services through a combination of prevention, detection, deterrence, and remediation.”
- “Anticipate and respond to the changing environment, including emerging technologies and related risks and opportunities.”
- “Enhance transparency and accessibility through proactive stakeholder engagement.”
- “Pursue operational excellence through efficient and effective use of our resources, information, and technology.”
- “Develop, empower, and reward our people to achieve our shared goals.”

Research and standard-setting

On Dec. 7, 2021, at the AICPA-CIMA conference, PCAOB acting Chief Auditor Barbara Vanich remarked on the PCAOB's current standard-setting agenda, which includes projects on quality control and using other auditors. Vanich also made observations about the PCAOB's research agenda including data and technology and audit evidence.

Inspections and enforcement

Final inspection and investigations rule

On Sept. 22, 2021, the PCAOB adopted a final rule related to its responsibilities under the *Holding Foreign Companies Accountable Act* (HFCAA). The HFCAA requires the board to determine whether it is unable to inspect or investigate registered public accounting firms located in a foreign jurisdiction and communicate the determination to the SEC. The SEC, in certain circumstances under the law, will be required to take further action related to registrants with audit opinions rendered in those foreign jurisdictions.

The final rule was approved by the SEC on Nov. 4, 2021.

Preview of 2020 inspection observations

The PCAOB issued, on Oct. 18, 2021, a publication, "[Spotlight: Staff Update and Preview of 2020 Inspection Observations](#)," that provides observations from the 2020 inspections of audits of issuers prior to issuance of the inspection reports, which audit committees might find useful when engaging with their auditors. The report highlights changes in the PCAOB inspection approach, common deficiencies, observations related to quality control, observations on good practices, and responses to technology developments including cybersecurity, distributed ledger technologies, and digital assets. While recurring deficiencies are similar to those in prior years, the PCAOB did observe improvements in auditing accounting estimates.

Staff observations at the AICPA-CIMA conference

George Botic, director of the Division of Inspections, and Patrick Bryan, director of the Division of Enforcement, provided perspectives at the AICPA conference. Botic addressed five topics:

- Changes made in 2021 inspections
- Recurring deficiencies (for example, business combinations, inventory, revenue, ICFR, allowance for loan and lease losses)
- Importance of firms' quality control systems
- Forecast of 2022 focus areas (for example, impact of the current economic environment, mergers and acquisitions, supply chain disruptions, pandemic impacts, SPACs, independence due to nonaudit services, carrying broker-dealers)
- Key takeaways for participants:
 - Continued importance of exercising due professional care and professional skepticism throughout the audit
 - Performance of thorough and continuous risk assessment – the need for practitioners to understand the impact of known and potential changes due to current economic climate and perform procedures to address the risk
 - Fraud procedures and the importance of incorporating unpredictability

Bryan discussed the enforcement division's 2021 focus areas, significant enforcement cases, and his perspective on the enforcement outlook for 2022.

New board members

The SEC, on Nov. 8, 2021, announced the appointments of Erica Y. Williams as chair of the PCAOB and Christina Ho, Kara M. Stein, and Anthony C. Thompson as board members. Duane DesParte, current acting chair, will continue to serve in that role until Williams is sworn in. Ho was sworn in on Nov. 9 for a term that will run through Oct. 24, 2025. Stein was sworn in on Nov. 18 and will serve until Oct. 24, 2026. Thompson was sworn in on Jan. 3, 2022, and will serve until Oct. 24, 2022. Williams was sworn in on Jan. 10, 2022, and will serve until Oct. 24, 2024.

Most recently a litigation partner at Kirkland & Ellis LLP, Williams previously spent more than a decade in various roles at the SEC and served as special assistant and associate counsel to President Barack Obama. Ho, who will join the PCAOB from her position as vice president of government analytics and innovation at Elder Research, has 28 years of broad experience in public finance, policy development, accounting and auditing, disclosure modernization, data analytics, and technology innovation. Stein served as a commissioner of the SEC from 2013 to 2019 and currently is a distinguished policy fellow and lecturer-in-law at the University of Pennsylvania Carey Law School and is director of the AI, Data, and Capital Markets Initiative at the Center for Innovation, University of California Hastings Law. Currently executive director and chief administrative officer of the CFTC, Thompson previously held senior positions at the U.S. Department of Agriculture and served in the United States Air Force for 32 years.

From the AICPA

Credit Losses A&A Guide

On Nov. 11, 2021, the AICPA issued its long-awaited credit losses audit and accounting (A&A) [guide](#). In addition to addressing items covered in the September 2019 practice aid, the guide provides implementation observations and adds a new chapter for accounting issues addressed by the FASB's Credit Losses Transition Resource Group (TRG) or the AICPA's Financial Reporting Executive Committee (FinREC) as follows:

- Scope exception for loans and receivables between entities under common control
- Scope of purchased financial assets with credit deterioration guidance for beneficial interests within FASB ASC 325-40
- Application of FASB ASC 325-40 for trading securities
- Refinancing and loan prepayments
- Measurement inputs for short-term arrangements
- Discounting inputs using a method other than a discounted cash flow method
- Reasonable and supportable forecast – developing the period and use of historical information
- Reversion method: estimation versus accounting policy
- Determining the life of a credit card receivable
- Zero expected credit losses
- Accounting for TDRs
- Capitalized interest
- Gains and losses on subsequent disposition of leased assets
- Accounting for changes in foreign exchange rates
- Inclusion of future advances of taxes and insurance payments
- Considerations related to FASB ASC 326 for insurance-entity-specific balances
- Transition guidance for pools of financial assets
- Application of subsequent events

From the CAQ

Audit committee transparency report

On Nov. 10, 2021, the CAQ and Audit Analytics issued the [“2021 Audit Committee Transparency Barometer,”](#) which tracks S&P 1500 proxy disclosures to evaluate transparency regarding audit committee oversight of the external auditor and other important financial reporting topics.

The CAQ notes that voluntary disclosure of audit committee oversight indicates higher levels of involvement. In addition, effective audit committee oversight enhances audit quality. This edition of the barometer reports that – as has been the case – the highest rates of disclosure relate to nonaudit services, auditor tenure, criteria considered to evaluate the audit firm, and involvement in audit partner selection. Additionally, the report highlights that cybersecurity disclosures continue to have the greatest increases year over year since 2016. The report finds that disclosures related to auditor compensation and explanations for changes in fees paid to the external auditor have the lowest rates of disclosures and provide the greatest opportunity for improvement. The publication also provides disclosure examples.

From the GASB

Final standards

The annual comprehensive financial report

On Oct. 19, 2021, the GASB issued Statement 98, "The Annual Comprehensive Financial Report," changing the name of the comprehensive annual financial report to "annual comprehensive financial report (ACFR)."

The new term and acronym replace instances of "comprehensive annual financial report" and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the prior acronym for the report sounds like a racial slur. No changes were made to the structure or content of the report.

Effective date

The requirements of this statement are effective for fiscal years ending after Dec. 15, 2021. Earlier application is encouraged.

Accounting Standards Updates (ASU) effective dates

Checklist A – ASU effective dates for public business entities (PBEs).....A-1

Checklist B – ASU effective dates for nonpublic business entities (non-PBEs)B-1

Checklist A

ASU effective dates for public business entities (PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
<p>Leases (ASU 2016-02)</p> <p>Revises recognition and measurement for lease contracts by lessors and lessees; operating leases are recorded on the balance sheet for lessees. Replaces Topic 840 with Topic 842.</p> <p>Clarifying standards:</p> <p>ASU 2018-01 – Provides a practical expedient in transition to not evaluate existing or expired land easements under Topic 842 that were not previously accounted for as leases under Topic 840.</p> <p>ASU 2018-10 – Provides 16 improvements and clarifications to the guidance in Topic 842.</p> <p>ASU 2018-11 – Provides an optional transition method for adopting Topic 842 that will eliminate comparative period reporting under the new guidance in the adoption year. Provides a practical expedient for lessors to not separate nonlease components from the associated lease component in specified circumstances.</p> <p>ASU 2018-20 – Provides improvements specific to lessors for evaluating sales taxes, recording reimbursed costs, and allocating variable payments to lease and nonlease components.</p> <p>ASU 2019-01 – Provides improvements in determining fair value of underlying assets by lessors that are not manufacturers or dealers, presentation of the statement of cash flows for sales-type and direct financing leases, and transition disclosures.</p> <p>ASU 2021-05 – Provides that lessors should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if certain criteria are met.</p>	<p>March 31, 2019^{1,2}</p> <p>For ASU 2019-01, March 31, 2020, except for transition disclosure amendments which are consistent with ASU 2016-02</p> <p>For ASU 2021-05, March 31, 2022</p>	<p>Permitted</p>
<p>Goodwill Impairment Testing (ASU 2017-04)</p> <p>Removes step two – the requirement to perform a hypothetical purchase price allocation when the carrying value of a reporting unit exceeds its fair value – of the goodwill impairment test.</p> <p>ASU 2019-10 – Deferral of effective dates.</p>	<p>For SEC filers, excluding smaller reporting companies, tests performed on or after Jan. 1, 2020</p> <p>For all other PBEs, including smaller reporting companies, tests performed on or after Jan. 1, 2023</p>	<p>Permitted for interim or annual goodwill impairment tests performed on testing dates on or after Jan. 1, 2017</p>

¹ Codified in ASU 2020-02, an SEC staff announcement at the December 2019 AICPA National Conference on Current SEC and PCAOB Developments specifically related to PBEs that qualify as a PBE solely due to the requirement to include or the inclusion of its financial statements or financial information in another entity's SEC filing ("certain PBEs") states that the SEC will not object to it adopting Topic 842 for fiscal years beginning after Dec. 15, 2020, and interim period within fiscal years beginning after Dec. 15, 2021, in accordance with ASU 2019-10.

² ASU 2020-05 defers, for one year, the required effective date for a not-for-profit entity that has issued or is a conduit bond obligor for securities that are traded, listed, or quoted on an exchange or an over-the-counter market that has not yet issued its financial statements (or made financial statements available for issuance) as of June 3, 2020. Those entities may elect to adopt the guidance for annual reporting periods beginning after Dec. 15, 2019, and for interim reporting periods within those fiscal years for calendar year-end entities.

Checklist A – ASU effective dates for public business entities (PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
<p>Credit Losses (ASU 2016-13)</p> <p>Replaces the incurred loss model with the current expected credit loss (CECL) model for financial assets, including trade receivables, debt securities, and loan receivables.</p> <p>Clarifying standards:</p> <p>ASU 2018-19 – Clarifies that impairment of operating lease receivables is in the scope of ASC Topic 842, “Leases,” and not the CECL model.</p> <p>ASU 2019-04 – Provides specific improvements and clarifications to the guidance in Topic 326. Addresses accrued interest, transfers between classifications or categories for loans and debt securities, recoveries, vintage disclosures, and contractual extensions and renewal options.</p> <p>ASU 2019-05 – Targeted transition relief provides an option to irrevocably elect the fair value option, on an instrument-by-instrument basis, for certain financial assets (excluding held-to-maturity debt securities) previously measured at amortized cost.</p> <p>ASU 2019-10 – Deferral of effective dates.</p> <p>ASU 2019-11 – Provides specific improvements and clarifications to the guidance in Topic 326. Addresses expected recoveries for purchased financial assets with credit deterioration, transition relief for troubled debt restructurings, disclosures related to accrued interest receivables, financial assets secured by collateral maintenance provisions, and conforming cross-references to Subtopic 805-20.</p> <p>ASU 2020-03 – Aligns contractual term to measure expected credit losses for a net investment in a lease to be consistent with the lease term determined under Topic 842. Clarifies that when an entity regains control of financial assets sold, an allowance for credit losses should be recorded.</p>	<p>For SEC filers, excluding smaller reporting companies, March 31, 2020</p> <p>For all other PBEs, including smaller reporting companies, March 31, 2023</p> <p>For ASU 2019-04, ASU 2019-05, ASU 2019-11, and ASU 2020-03, March 31, 2020, for entities that have adopted ASU 2016-13; otherwise effective dates the same as ASU 2016-13</p>	<p>Permitted as of the fiscal years beginning after Dec. 15, 2018, including interim periods within</p>
<p>Amendments to Various SEC Paragraphs (ASU 2020-09)</p> <p>Amends and supersedes various SEC paragraphs to reflect SEC Release No. 33-10762, which includes amendments to financial disclosure requirements applicable to registered debt offerings that include credit enhancements, such as subsidiary guarantees. SEC rules make it easier for a registrant to qualify for an exception to the requirement to file separate audited financial statements of a subsidiary issuer or guarantor of registered debt securities.</p>	<p>SEC rules are effective Jan. 4, 2021</p>	<p>Permitted</p>
<p>Clarifying Reference Rate Reform (ASU 2021-01)</p> <p>Clarifies that certain optional expedients and exceptions in Topic 848 (reference rate reform) for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. If an entity elects certain provisions in Topic 848, those provisions apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. Clarifies that the provisions in Topic 848 optionally apply to all entities that designate receive-variable rate, pay-variable-rate cross-currency interest-rate swaps as hedging instruments in net investment hedges that are modified as a result of reference rate reform.</p>	<p>Upon issuance on Jan. 7, 2021</p>	<p>Not applicable</p>

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
<p>Simplifying Accounting for Income Taxes (ASU 2019-12)</p> <p>Simplifies the accounting for income taxes by removing certain exceptions in Topic 740. Improves consistent application of other areas of guidance within Topic 740 by clarifying and amending existing guidance.</p>	<p>March 31, 2021</p>	<p>Permitted, including in an interim period</p>
<p>Interaction Between Accounting for Equity Securities, Equity Method Investments, and Certain Derivative Instruments (ASU 2020-01)</p> <p>Clarifies the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contract and purchased options accounted for under Topic 815.</p>	<p>March 31, 2021</p>	<p>Permitted, including in an interim period</p>
<p>Accounting for Purchased Callable Debt Securities (ASU 2020-08)</p> <p>Clarifies amendments in ASU 2017-08, which amended the amortization period for certain purchased callable debt securities held at a premium by shortening the period to the earliest call date. The amendments require an entity to reevaluate whether a callable debt security that has multiple call dates is within the scope of paragraph 310-20-35-33 for each reporting period.</p>	<p>March 31, 2021</p>	<p>Not permitted</p>
<p>Various Codification Improvements (ASU 2020-10)</p> <p>Amendments improve codification by having all disclosure-related guidance available in the disclosure sections of the codification. Prior to this ASU, various disclosure requirements or options to present information on the face of the financial statements or as a note to the financial statements were not included in the appropriate disclosure sections of the codification. Contains various other minor amendments to codification that are not expected to have a significant effect on current accounting practice.</p>	<p>March 31, 2021</p>	<p>Permitted, including an interim period</p>
<p>Amendments to SEC Paragraphs (ASU 2021-06)</p> <p>Amends various SEC paragraphs to reflect SEC Final Rule Releases No. 33-10786, which addresses financial disclosures about acquired and disposed businesses, and No. 33-10835, which addresses update of statistical disclosures for bank and savings and loan registrants.</p>	<p>Upon issuance on Aug. 9, 2021</p>	<p>Not applicable</p>
<p>Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06)</p> <p>Clarifies the accounting for certain financial instruments with characteristics of liabilities and equity. The amendments reduce number of accounting models for convertible debt instruments and convertible preferred stock. The cash conversion and beneficial conversion feature models were removed. Limiting the accounting models will result in fewer embedded conversion features being separately recognized from the host contract. Improves disclosure requirements for convertible instruments and earnings-per-share guidance. Revises derivatives scope exception guidance to reduce form-over-substance-based accounting conclusions driven by remote contingent events.</p>	<p>For SEC filers, excluding smaller reporting companies, March 31, 2022</p> <p>For all other PBEs, including smaller reporting companies, March 31, 2024</p>	<p>Permitted as of the fiscal years beginning after Dec. 15, 2020.</p> <p>An entity must adopt the guidance as of the beginning of the fiscal year and not in a subsequent interim.</p>

Checklist A – ASU effective dates for public business entities (PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
<p>Long-Duration Insurance Contracts (ASU 2018-12)</p> <p>Revises the accounting for life insurance and annuity contracts by eliminating the method of locking in liability assumptions and the premium deficiency test for traditional and limited-payment contracts, among other methodology changes. Requires additional disclosure.</p> <p>Clarifying standards:</p> <p>ASU 2019-09 – Deferral of effective dates.</p> <p>ASU 2020-11 – Deferral of effective dates.</p>	<p>For SEC filers, excluding smaller reporting companies, March 31, 2023</p> <p>For all other PBEs, including smaller reporting companies, Dec. 31, 2025</p>	<p>Permitted</p>
<p>Issuer’s Accounting for Modifications or Exchanges of Freestanding Written Call Options That Are Classified in Equity (ASU 2021-04)</p> <p>Clarifies the guidance for a modification or an exchange of a freestanding equity-classified written call option (for example, warrants). The amendments provide that an entity should treat such modification or exchange as an exchange of the original instrument for a new instrument. The amendments provide guidance on how an entity should measure and recognize the effect of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange. The amendments do not affect a holder’s accounting for freestanding call options.</p>	<p>March 31, 2022</p>	<p>Permitted, including in an interim period</p>
<p>Disclosures by Business Entities About Government Assistance (ASU 2021-10)</p> <p>Requires annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy to other accounting guidance such as a grant model within Subtopic 958-605, “Not-for-Profit Entities – Revenue Recognition,” or International Accounting Standards 20, “Accounting for Government Grants and Disclosure of Government Assistance.”</p>	<p>March 31, 2022</p>	<p>Permitted</p>
<p>Customer Contracts Acquired in a Business Combination (ASU 2021-08)</p> <p>Requires an acquirer to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 on revenue from contracts with customers. The amendments apply to contract assets or contract liabilities in contracts with customers and other contracts to which the provisions of Topic 606 apply. The amendments also provide certain practical expedients for acquirers when recognizing and measuring acquired contract assets and contract liabilities from revenue contracts in a business combination.</p>	<p>March 31, 2023</p>	<p>Permitted, including in an interim period</p>

Checklist B

ASU effective dates for nonpublic business entities (non-PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
<p>Accounting Alternative for Evaluating Triggering Events (ASU 2021-03)</p> <p>Provides accounting alternative to perform goodwill impairment triggering event evaluation as of the end of the reporting period, whether reporting period is an interim or annual period. An entity that elects this alternative is not required to monitor for goodwill impairment triggering events during the reporting period but, instead, should evaluate the facts and circumstances as of the end of each reporting period to determine whether a triggering event exists and, if so, whether it is more likely than not that goodwill is impaired.</p>	Dec. 31, 2020	Permitted only as of annual periods beginning after Dec. 15, 2019, including interim periods within that have not been issued or made available for issuance as of March 30, 2021
<p>Premium Amortization on Purchased Callable Debt (ASU 2017-08)</p> <p>Shortens the amortization period for premiums on purchased callable debt securities to the earliest call date, instead of to the maturity date.</p> <p>Clarifying standards:</p> <p>ASU 2020-08 – Clarifies that an entity should reevaluate whether a callable debt security that has multiple call dates is within the scope of paragraph 310-20-35-33 for each reporting period.</p>	<p>Dec. 31, 2020</p> <p>For ASU 2020-08, Dec. 31, 2022</p>	<p>Permitted, including in an interim period</p> <p>For ASU 2020-08, permitted only as of annual periods beginning after Dec. 15, 2020, including interim periods within</p>
<p>Clarifying Reference Rate Reform (ASU 2021-01)</p> <p>Clarifies that certain optional expedients and exceptions in Topic 848 (reference rate reform) for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. If an entity elects certain provisions in Topic 848, those provisions apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of reference rate reform. Clarifies that the provisions in Topic 848 optionally apply to all entities that designate receive-variable rate, pay-variable-rate cross-currency interest-rate swaps as hedging instruments in net investment hedges that are modified as a result of reference rate reform.</p>	Upon issuance on Jan. 7, 2021	Not applicable

Checklist B – ASU effective dates for nonpublic business entities (non-PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
<p>Practical Expedient for Applying Topic 606 by Franchisors (ASU 2021-02)</p> <p>Provides a targeted practical expedient to Topic 606 (revenue from contracts with customers) for nonpublic business entities that meet the definition of a franchisor. Allows nonpublic franchisors the option to account for certain preopening services as a distinct performance obligation separate from the franchise license. If elected, a franchisor may also make accounting policy election to account for all preopening services as a single performance obligation; otherwise, it would need to apply the guidance in Topic 606 to determine whether the preopening services are distinct from one another.</p>	<p>Dec. 31, 2021</p>	<p>Permitted, including in an interim period</p>
<p>Hedging Activities (ASU 2017-12)</p> <p>Expands the nonfinancial and financial risk components that can qualify for hedge accounting and simplifies financial reporting for hedging activities.</p> <p>Clarifying standards:</p> <p>ASU 2019-04 – Provides specific improvements and clarifications to the guidance in Topic 815. Among other areas, addresses partial-term fair value hedges of interest-rate risk, amortization and disclosure of fair value hedge basis adjustments, and consideration of hedged contractually specified interest rate under the hypothetical derivative method.</p> <p>ASU 2019-10 – Deferral of effective dates.</p>	<p>Dec. 31, 2021</p>	<p>Permitted, including in an interim period</p>
<p>Certain Costs in Media and Entertainment Industry (ASU 2019-02)</p> <p>Applies to broadcasters and entities that produce and distribute films and episodic television series. Aligns the accounting of episodic television series with films, and provides more relevant financial reporting information to users of financial statements.</p>	<p>Dec. 31, 2021</p>	<p>Permitted, including in an interim period</p>
<p>Defined Benefit Plan Disclosure for Sponsors (ASU 2018-14)</p> <p>Removes and clarifies certain disclosures for sponsors of defined benefit plans. Adds disclosure for weighted-average interest credit rates for certain plans, and the reasons for significant gains and losses in the benefit obligation.</p>	<p>Dec. 31, 2021</p>	<p>Permitted</p>

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
<p>Implementation Costs for Cloud Computing Arrangements (CCAs) (ASU 2018-15)</p> <p>Aligns accounting for implementation costs of CCAs with or without a license (that is, regardless of whether the CCA is a service contract) by capitalizing implementation costs during the application development stage and amortizing the costs over the term of the arrangement.</p>	Dec. 31, 2021	Permitted, including in an interim period
<p>Variable Interest Entity (VIE) Model – Targeted Improvements for Related Parties (ASU 2018-17)</p> <p>Provides a private company accounting alternative not to apply VIE consolidation guidance to any arrangement with legal entities that are under common control if neither the parent nor the legal entity is a PBE (thus expanding the alternative for common control leasing arrangements to all common control arrangements). Also, revises the analysis for determining whether a decision-making fee paid by a VIE is a variable interest such that indirect interests in a VIE held through related parties in common control arrangements would be considered on a proportional basis (instead of as the equivalent to a direct interest).</p>	Dec. 31, 2021	Permitted, including in an interim period
<p>Collaborative Arrangements (Topic 808) (ASU 2018-18)</p> <p>Requires that Topic 606 be applied to collaborative arrangements when the arrangement participant is a customer and aligns the unit-of-account guidance in Topic 808 with Topic 606. Revenue in the scope of Topic 606 should be presented separately from revenue outside its scope.</p>	Dec. 31, 2021	Permitted, including in an interim period
<p>Simplifying Accounting for Income Taxes (ASU 2019-12)</p> <p>Simplifies the accounting for income taxes by removing certain exceptions in Topic 740. Improves consistent application of other areas of guidance within Topic 740 by clarifying and amending existing guidance.</p>	Dec. 31, 2022	Permitted, including in an interim period
<p>Interaction Between Accounting for Equity Securities, Equity Method Investments, and Certain Derivative Instruments (ASU 2020-01)</p> <p>Clarifies the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contract and purchased options accounted for under Topic 815.</p>	Dec. 31, 2022	Permitted, including in an interim period

Checklist B – ASU effective dates for nonpublic business entities (non-PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
<p>Leases (ASU 2016-02)</p> <p>Revises recognition and measurement for lease contracts by lessors and lessees; operating leases are recorded on the balance sheet for lessees. Replaces Topic 840 with Topic 842.</p> <p>Clarifying standards:</p> <p>ASU 2018-01 – Provides a practical expedient in transition to not evaluate existing or expired land easements under Topic 842 that were not previously accounted for as leases under Topic 840.</p> <p>ASU 2018-10 – Provides 16 improvements and clarifications to the guidance in Topic 842.</p> <p>ASU 2018-11 – Provides an optional transition method for adopting Topic 842 that will eliminate comparative period reporting under the new guidance in the adoption year. Provides a practical expedient for lessors to not separate nonlease components from the associated lease component in specified circumstances.</p> <p>ASU 2018-20 – Provides improvements specific to lessors for evaluating sales taxes, recording reimbursed costs, and allocating variable payments to lease and nonlease components.</p> <p>ASU 2019-01 – Provides improvements in determining fair value of underlying assets by lessors that are not manufacturers or dealers, presentation of the statement of cash flows for sales-type and direct financing leases, and transition disclosures.</p> <p>ASU 2019-10 – Deferral of effective dates</p> <p>ASU 2020-05 – Deferral of effective dates.</p> <p>ASU 2021-05 – Provides that lessors should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if certain criteria are met.</p> <p>ASU 2021-09 – Allows risk-free rate election by class of underlying asset, rather than at the entitywide level. When the rate implicit in the lease is readily determinable, the lessee must use that rate regardless of whether it has made the risk-free rate election.</p>	<p>Dec. 31, 2022</p>	<p>Permitted</p>
<p>Contributed Nonfinancial Assets of Not-for-Profit Entities (ASU 2020-07)</p> <p>Improves financial reporting for not-for-profit entities by providing specific presentation and disclosure requirements for contributed nonfinancial assets other than contributed services.</p>	<p>Dec. 31, 2022</p>	<p>Permitted for interim or annual goodwill impairment tests performed on testing dates on or after Jan. 1, 2017</p>

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
<p>Various Codification Improvements (ASU 2020-10)</p> <p>Amendments improve codification by having all disclosure-related guidance available in the disclosure sections of the codification. Prior to this ASU, various disclosure requirements or options to present information on the face of the financial statements or as a note to the financial statements were not included in the appropriate disclosure sections of the codification. Contains various other minor amendments to codification that are not expected to have a significant effect on current accounting practice.</p>	Dec. 31, 2022	Permitted
<p>Issuer's Accounting for Modifications or Exchanges of Freestanding Written Call Options That Are Classified in Equity (ASU 2021-04)</p> <p>Clarifies the guidance for a modification or an exchange of a freestanding equity-classified written call option (for example, warrants). The amendments provide that an entity should treat such modification or exchange as an exchange of the original instrument for a new instrument. The amendments provide guidance on how an entity should measure and recognize the effect of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange. The amendments do not affect a holder's accounting for freestanding call options.</p>	Dec. 31, 2022	Permitted, including in an interim period
<p>Practical Expedient in Measuring Current Price Input of Equity-Classified Share-Based Awards (ASU 2021-07)</p> <p>Allows a nonpublic entity to determine the current price of a share underlying an equity-classified share-based award using the reasonable application of a reasonable valuation method. The amendments provide characteristics of the reasonable application of a reasonable valuation method. A reasonable valuation performed in accordance with Treasury regulations is an example of a way to achieve the practical expedient.</p>	Dec. 31, 2022	Permitted for financial statements that have not been issued or made available for issuance as of Oct. 25, 2021
<p>Disclosures by Business Entities About Government Assistance (ASU 2021-10)</p> <p>Requires annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy to other accounting guidance such as a grant model within Subtopic 958-605, "Not-for-Profit Entities – Revenue Recognition," or International Accounting Standards 20, "Accounting for Government Grants and Disclosure of Government Assistance."</p>	Dec. 31, 2022	Permitted

Checklist B – ASU effective dates for nonpublic business entities (non-PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
<p>Goodwill Impairment Testing (ASU 2017-04)</p> <p>Removes step two – the requirement to perform a hypothetical purchase price allocation when the carrying value of a reporting unit exceeds its fair value – of the goodwill impairment test.</p> <p>Clarifying standards:</p> <p>ASU 2019-10 – Deferral of effective dates.</p>	<p>Tests performed on or after Jan. 1, 2023</p>	<p>Permitted for interim or annual goodwill impairment tests performed on testing dates on or after Jan. 1, 2017</p>
<p>Credit Losses (ASU 2016-13)</p> <p>Replaces the incurred loss model with the CECL model for financial assets, including trade receivables, debt securities, and loan receivables.</p> <p>Clarifying standards:</p> <p>ASU 2018-19 – Clarifies the effective date for non-PBEs and that impairment of operating lease receivables is in the scope of ASC Topic 842, “Leases,” and not the CECL model.</p> <p>ASU 2019-04 – Provides specific improvements and clarifications to the guidance in Topic 326. Addresses accrued interest, transfers between classifications or categories for loans and debt securities, recoveries, vintage disclosures, and contractual extensions and renewal options.</p> <p>ASU 2019-05 – Targeted transition relief provides an option to irrevocably elect the fair value option, on an instrument-by-instrument basis, for certain financial assets (excluding held-to-maturity debt securities) previously measured at amortized cost.</p> <p>ASU 2019-10 – Deferral of effective dates.</p> <p>ASU 2019-11 – Provides specific improvements and clarifications to the guidance in Topic 326. Addresses expected recoveries for purchased financial assets with credit deterioration, transition relief for troubled debt restructurings, disclosures related to accrued interest receivables, financial assets secured by collateral maintenance provisions, and conforming cross-references to Subtopic 805-20.</p> <p>ASU 2020-03 – Aligns contractual term to measure expected credit losses for a net investment in a lease to be consistent with the lease term determined under Topic 842. Clarifies that when an entity regains control of financial assets sold, an allowance for credit losses should be recorded.</p>	<p>Dec. 31, 2023</p> <p>For ASU 2019-04, ASU 2019-05, ASU 2019-11, and ASU 2020-03, March 31, 2020, for entities that have adopted ASU 2016-13; otherwise, effective dates the same as ASU 2016-13</p>	<p>Permitted as of the fiscal years beginning after Dec. 15, 2018, including interim periods within</p>

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
<p>Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06)</p> <p>Clarifies the accounting for certain financial instruments with characteristics of liabilities and equity. The amendments reduce number of accounting models for convertible debt instruments and convertible preferred stock. The cash conversion and beneficial conversion feature models were removed. Limiting the accounting models will result in fewer embedded conversion features being separately recognized from the host contract. Improves disclosure requirements for convertible instruments and earnings-per-share guidance. Revises derivatives scope exception guidance to reduce form-over-substance-based accounting conclusions driven by remote contingent events.</p>	Dec. 31, 2024	Permitted as of the fiscal years beginning after Dec. 15, 2020, including interim periods within
<p>Customer Contracts Acquired in a Business Combination (ASU 2021-08)</p> <p>Requires an acquirer to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 on revenue from contracts with customers. The amendments apply to contract assets or contract liabilities in contracts with customers and other contracts to which the provisions of Topic 606 apply. The amendments also provide certain practical expedients for acquirers when recognizing and measuring acquired contract assets and contract liabilities from revenue contracts in a business combination.</p>	Dec. 31, 2024	Permitted, including in an interim period
<p>Long-Duration Insurance Contracts (ASU 2018-12)</p> <p>Revises the accounting for life insurance and annuity contracts by eliminating the method of locking in liability assumptions and the premium deficiency test for traditional and limited-payment contracts, among other methodology changes. Requires additional disclosure.</p> <p>Clarifying standards:</p> <p>ASU 2019-09 – Deferral of effective dates.</p> <p>ASU 2020-11 – Deferral of effective dates.</p>	Dec. 31, 2025	Permitted

Governmental Accounting Standards Board (GASB) statement effective dates

Checklist C – Effective dates for all GASB statements..... C-1

Checklist C

Effective dates for all GASB statements

GASB statement	Effective dates – reporting periods beginning after	Early adoption
<p>Postponement of the Effective Dates of Certain Authoritative Guidance (GASB Statement 95)</p> <p>Postpones the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.</p>	<p>Upon issuance, May 8, 2020</p>	<p>Not applicable</p>
<p>Fiduciary Activities (GASB Statement 84)</p> <p>Improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities.</p> <p>Establishes criteria for identifying fiduciary activities of all state and local governments focused on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.</p>	<p>Dec. 15, 2019</p>	<p>Permitted</p>
<p>Majority Equity Interests (GASB Statement 90)</p> <p>Revises and clarifies the guidance for reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units.</p>	<p>Dec. 15, 2019</p>	<p>Permitted</p>
<p>Replacement of Interbank Offered Rates (GASB Statement 93)</p> <p>Addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notably the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments tied to LIBOR.</p>	<p>June 15, 2020, except: Paragraph 11b, periods ending after Dec. 15, 2021 Paragraphs 13 & 14, June 15, 2021</p>	<p>Permitted</p>

Checklist C – Effective dates for all GASB statements

GASB statement	Effective dates – reporting periods beginning after	Early adoption
<p>Accounting for Interest Cost Incurred Before the End of a Construction Period (GASB Statement 89)</p> <p>Supersedes guidance set forth in Statement 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,” which generally required capitalization of interest cost incurred before the end of a construction period. Statement 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus and not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.</p>	<p>Dec. 15, 2020</p>	<p>Permitted</p>
<p>The Annual Comprehensive Financial Report (GASB Statement 98)</p> <p>Establishes the term “annual comprehensive financial report” and its acronym ACFR, which replace instances of “comprehensive annual financial report” and its acronym in generally accepted accounting principles for state and local governments.</p>	<p>Dec. 15, 2020</p>	<p>Permitted</p>
<p>Leases (GASB Statement 87)</p> <p>Revises recognition and measurement for lease contracts by lessors and lessees by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. Establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.</p>	<p>June. 15, 2021</p>	<p>Permitted</p>
<p>Omnibus 2020 (GASB Statement 92)</p> <p>Addresses a variety of topics including the effective date of Statement 87 and Implementation Guide No. 2019-3 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements 73 and 74 to reporting assets accumulated for postemployment benefits (PEBs); the applicability of certain requirements of Statement 84 to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments.</p>	<p>Varies by issue (see pages 5 and 6 of the statement and page 2 of statement 95)</p> <p>Upon issuance, Feb. 5, 2020</p> <p>June 15, 2021</p>	<p>Permitted by topic</p>

GASB statement	Effective dates – reporting periods beginning after	Early adoption
<p>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (GASB Statement 97)</p> <p>Clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and modifies the applicability of certain component unit criteria as they relate to defined contribution pension and OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). Establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans.</p>	<p>Varies by issue (see pages 4 and 5 of the statement)</p> <p>Upon issuance, June 23, 2020</p> <p>June 15, 2021</p>	<p>Permitted by topic</p>
<p>Conduit Debt Obligations (GASB Statement 91)</p> <p>Clarifies the definition of a conduit obligation and stipulates that a conduit debt obligation is a liability of the third-party obligor, not the issuer, thus eliminating the option for government issuers to recognize a conduit debt obligation as a liability. Establishes standards for accounting and financial reporting of additional commitments extended by issuers and arrangements associated with conduit debt obligations and improves required note disclosures.</p>	<p>Dec. 15, 2021</p>	<p>Permitted</p>
<p>Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB Statement 94)</p> <p>Provides guidance for public-private and public-public partnership arrangements (PPPs), including those that are outside of the scope of the GASB’s existing guidance for those transactions – namely Statement 60, “Accounting and Financial Reporting for Service Concession Arrangements,” and Statement 87, “Leases.” The statement also makes certain improvements to the guidance previously included in Statement 60 and provides accounting and financial reporting guidance for availability payment arrangements (APAs).</p>	<p>June 15, 2022</p>	<p>Permitted</p>
<p>Subscription-Based Information Technology Arrangements (GASB Statement 96)</p> <p>Provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. Defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.</p>	<p>June 15, 2022</p>	<p>Permitted</p>



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