



July 2025

Keeping You Informed

Q2 Accounting and Financial Reporting Developments

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Message from Sydney Garmong

Partner, National Office

Dear readers,

Whether you attended a cookout, watched fireworks, or spent other quality time with family and friends, we hope the Fourth of July holiday provided many ways for you to recharge and return to work refreshed for closing out the second quarter.

Q2 looked sleepy on the surface, but the standard-setting and rule-making conveyor belts kept humming.

On the standard-setting front, the Financial Accounting Standards Board (FASB) continues to progress on its agenda. Over the next six months, the FASB plans to issue seven final standards and one proposal:

Final standards:

- “Accounting for and Disclosure of Software Costs” (Q3)
- “Accounting for Government Grants” (Q4)
- “Credit Losses – Topic 606 Receivables (PCC)” (Q3)
- “Financial Instruments – Credit Losses (Topic 326) – Purchased Financial Assets” (Q3)
- “Interim Reporting – Narrow-Scope Improvements” (Q4)
- “Topic 815 – Derivatives Scope Refinements” (Q3)
- “Topic 815 – Hedge Accounting Improvements” (Q3)

Proposal:

- “Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock” (Q3)

If we are doing our math correctly, that will leave five projects on its agenda, which clears the decks for additional projects. The comment period closed June 30 on the FASB’s Invitation to Comment – Agenda Consultation. The FASB received 92 comment letters, which will inform what is added to the agenda.

This quarter brought the swearing in of Paul Atkins as chair of the Securities and Exchange Commission (SEC) and the appointment of Kurt Hohl as the chief accountant. Atkins covered his priorities in his May 20 testimony before the House Appropriations Subcommittee on Financial Services and General Government. He focused on a return to the SEC’s three-part mission: protecting investors, facilitating capital formation, and maintaining fair, orderly, and efficient markets. He said he is returning the SEC rulemaking to “regular order,” including allowing ample time for comment periods as well as considering overlap of rules and building regulatory burdens in keeping with the SEC’s obligation to consider their costs and benefits. Atkins said a key priority is to develop a rational regulatory framework for crypto asset markets that establishes clear rules for the issuance, custody, and trading of crypto assets while continuing to discourage bad actors from violating the law.

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

Second quarter highlights

During the second quarter of the 2025 calendar year, the Financial Accounting Standards Board (FASB) issued two final standards: one to clarify share-based consideration payable to a customer and one to provide guidance in determining the accounting acquirer in the acquisition of a variable interest entity. The FASB also issued one new proposal addressing accounting for debt exchanges.

The Securities and Exchange Commission (SEC) announced changes in leadership, discussed the future of the SEC, held multiple crypto task force roundtables, discussed stablecoins, provided data on capital formation and beneficial ownership disclosure trends, identified the importance of economic analysis in policymaking, released key market data and analysis, and held an executive compensation roundtable. The SEC also extended compliance deadlines for Form PF and investment company reporting, offered guidance on crypto asset and protocol staking activities, and published new and updated Compliance and Disclosure Interpretations (C&DIs).

The Public Company Accounting Oversight Board (PCAOB) released its annual report, provided guidance on auditing accounting estimates, shared results of conversations with audit committees, discussed the critical role of the PCAOB, issued its annual broker-dealer inspection report, and released downloadable inspection findings datasets. It also held meetings of its Standards and Emergency Issues Advisory Group and Investor Advisory Group.

The Center for Audit Quality (CAQ) published results of its spring 2025 audit partner pulse survey, issued a report on the auditor's role in climate-related information, and addressed enhancing corporate ethical culture and fraud deterrence and detection.

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 (ASUs) and GASB statements are provided in the appendix.

From the FASB

Final standards

Clarification to share-based consideration payable to a customer

On May 15, 2025, the FASB issued ASU 2025-04, [“Compensation – Stock Compensation \(Topic 718\) and Revenue From Contracts With Customers \(Topic 606\): Clarifications to Share-Based Consideration Payable to a Customer,”](#) to clarify guidance in Topic 606 and Topic 718 related to share-based payments made as consideration payable to a customer. This amendment revises the Master Glossary definition of a performance obligation to include conditions tied to a customer’s purchases or those of other parties within the distribution chain. This revised definition applies only to share-based consideration payable to customers and cannot be analogized to awards granted to employees or nonemployees. Additionally, the amendment clarifies that grantors must evaluate the likelihood of vesting using Topic 718 alone and should not apply the variable consideration constraints from Topic 606.

Effective date

The ASU is effective for all entities for annual reporting periods, including interim reporting periods within annual reporting periods, beginning after Dec. 15, 2026. Early adoption is permitted.

For more information, see the Crowe article [“FASB ASU Addresses Share-Based Payments to Customers.”](#)



Determining the accounting acquirer in the acquisition of a VIE

On May 12, 2025, the FASB issued Accounting Standards Update (ASU) 2025-03, "Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity," to enhance the guidance in Topic 805, "Business Combinations," for determining the accounting acquirer. When an acquisition is primarily executed through an exchange of equity interests and the legal acquiree is a variable interest entity (VIE) that qualifies as a business, the amendments require entities to apply the factors outlined in ASC 805-10-55-12 through 55-15 to identify the accounting acquirer.

Effective date

The amendments are effective for all entities for annual reporting periods beginning after Dec. 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an interim or annual reporting period.

For additional information, see the Crowe article "ASU Offers Guidance on Identifying the Accounting Acquirer."



Proposals

Accounting for debt exchanges

On April 30, 2025, the FASB issued a proposed ASU, [“Debt – Modifications and Extinguishments \(Subtopic 470-50\) and Liabilities – Extinguishments of Liabilities \(Subtopic 405-20\): Accounting for Debt Exchanges,”](#) to clarify guidance on debt extinguishments. The proposed amendments would apply when an existing debt obligation is settled using proceeds from a new debt issuance involving at least one existing creditor and multiple participating creditors. If the existing debt is repaid or repurchased at market terms and the new debt is issued at market terms following normal marketing practices, the transaction would be accounted for as an extinguishment without applying the 10% cash flow test. If these conditions are not met, entities would continue to evaluate the terms under Subtopic 470-50 to determine whether the transaction represents a modification or an extinguishment. Overall, the amendments aim to enhance consistency in accounting for economically similar transactions, reduce diversity in practice, and lower the cost of applying current guidance.

Comments were due on the proposed ASU on May 30, 2025.

For more information, see the Crowe article [“FASB Proposes Changes to Debt Exchange Accounting.”](#)



From the SEC

Leadership changes

Chief accountant

On June 13, 2025, the SEC announced the appointment of Kurt Hohl as chief accountant. With nearly four decades of experience in accounting and auditing, Hohl returns to the SEC after previously serving from 1989 to 1997, when he rose to associate chief accountant in Division of Corporation Finance (Corp Fin).

Chair

On April 21, 2025, Paul Atkins was sworn in as the 34th chair of the SEC. Atkins was confirmed by the U.S. Senate on April 9, 2025, following his nomination by President Donald Trump on Jan. 20, 2025. Most recently, Atkins was the chief executive at Patomak Global Partners, and he previously served as an SEC commissioner from 2002 to 2008.

Public statements and announcements

Redefining the SEC

On May 6, 2025, Chair Paul Atkins delivered his inaugural town hall address, declaring a “new day” at the SEC. Atkins outlined his vision for a revitalized SEC – one committed to restoring regulatory balance and reaffirming the agency’s core mission: protecting investors, facilitating capital formation, and maintaining fair, orderly, and efficient markets. Atkins emphasized the importance of smart, effective regulation – rules tailored to meet the realities of dynamic financial markets while remaining clear, consistent, and predictable. Top priorities include reforming the regulatory approach to digital assets, improving internal operations and contracting, and supporting regional offices. He also noted a renewed focus on transparency and greater interagency and congressional collaboration.

On May 8, 2025, in remarks at the SEC’s 31st International Institute for Securities Market Growth and Development, Commissioner Hester Peirce emphasized that fostering efficient, flourishing capital markets is a critical driver of societal prosperity. She reinforced the need to promote capital formation and enable investor access to evolving asset classes.

The Practising Law Institute hosted the SEC Speaks in 2025 Conference on May 19-20, 2025. Atkins outlined a reset of the SEC's regulatory posture. His [remarks](#) emphasized a strategic return to the agency's foundational mission. Atkins reaffirmed the SEC's historical role in enabling innovation, suggesting that sound, restrained regulation is essential for supporting dynamic capital markets. He also signaled a willingness to revisit legacy restrictions that currently limit closed-end funds from investing in private funds. In closing, Atkins mentioned a comprehensive review of the Consolidated Audit Trail, citing mounting concerns about escalating implementation costs and the risks associated with concentrated data collection.

On May 20, 2025, Atkins delivered his first [testimony](#) before the House Appropriations Subcommittee on Financial Services. Atkins pledged to modernize regulatory frameworks – particularly around digital assets – through clear, notice-and-comment rulemaking, not enforcement-driven policymaking. He also announced plans to disband FinHub, integrate innovation agencywide, and launch a comprehensive review of the SEC's technology infrastructure.

Crypto Task Force activity

At the SEC Crypto Task Force roundtable on tokenization on May 12, 2025, [Atkins](#) and [Peirce](#) expressed support for blockchain-based innovation, calling for clear rules to support responsible adoption. Commissioner Mark [Uyeda](#) emphasized regulatory transparency in fostering innovation, while Commissioner Caroline [Crenshaw](#) urged caution, noting unresolved risks and operational uncertainties of prematurely rebuilding financial infrastructure around blockchain technology.

The task force also held the following roundtables:

- “Between a Block and a Hard Place: Tailoring Regulation for Crypto Trading,” which took place on April 11, 2025
- “Know Your Custodian: Key Considerations for Crypto Custody,” April 25, 2025
- “DeFi and the American Spirit,” June 9, 2025

Recordings of the roundtables are available on the SEC [website](#).

Proof-of-work mining activities and stablecoins

Corp Fin continued to publish clarifying statements on its views on topics related to crypto assets following a February [statement](#) on meme coins, issuing statements on [proof-of-work mining activities](#) in March and [stablecoins](#) on April 4, 2025. In both statements, Corp Fin provided background and defined the scope of covered crypto assets or related activity, and it concluded that transactions involving neither covered stablecoins nor covered mining activities involve the offer or sale of securities.



Capital formation

On May 28, 2025, the SEC Division of Economic and Risk Analysis published three data reports focused on capital formation and beneficial ownership disclosure trends.

- From a capital formation standpoint, the reports include a retrospective review of Regulation A (2015-2024) and Regulation Crowdfunding (2016-2024), highlighting more than \$10 billion in capital raised.
- An analysis of beneficial ownership concentration and outcomes for qualifying hedge funds from 2013 to 2023, trends providing information on the relationship between liquidity, leverage, and performance.

At its meeting on May 6, 2025, marking the sixth anniversary of the Small Business Capital Formation Advisory Committee, Atkins emphasized the need to modernize Regulation A to incentivize use. He urged the committee to explore potential amendments that would improve capital access for a broader range of issuers, while upholding investor protection standards.

Market regulation

At the SEC's 12th Annual Conference on Financial Market Regulation held May 15-16, 2025, Atkins and Uyeda emphasized the importance of economic analysis in policymaking. Atkins called for rulemaking grounded in clearly defined problems and measurable cost-benefit considerations, warning against unnecessary regulatory expansion.

Uyeda highlighted research supporting expanded retail access to private markets and called for a review of the accredited investor definition. He also cautioned against ESG-related greenwashing, citing increased fees and regulatory risks, and stressed the need for clear disclosures.

Key market data and analysis

On April 28, 2025, the SEC's Division of Economic and Risk Analysis (DERA) released new data and analysis covering key market segments, including public issuers, exempt offerings, commercial mortgage-backed securities, asset-backed securities, money market funds, and security-based swap dealers.

DERA also published updated staff interpretations and FAQs to assist filers with interactive data disclosure obligations, particularly for EDGAR submissions using eXtensible Business Reporting Language (XBRL). The guidance addresses topics such as validation, presentation and rendering, taxonomy use, company-specific extensions, detail tagging, and element selection.

Executive compensation

On June 26, 2025, the SEC held a public roundtable to evaluate executive compensation decisions and disclosure requirements. On May 16, 2025, after announcing this roundtable, Atkins issued a statement outlining key questions for staff and inviting public input before and after the event.

Rules and guidance

Form PF compliance date extension

On June 11, 2025, the SEC and the Commodities Futures Trading Commission voted to extend the compliance date of jointly issued final amendments to Form PF from June 12, 2025, to Oct. 1, 2025, representing the second extension for these amendments. The final amendments impose enhanced reporting and disclosure requirements on certain SEC-registered investment advisers to private funds, including:

- Enhanced reporting for large hedge fund advisers on qualifying hedge funds with a net asset value of at least \$500 million, including enhanced information on risk and exposure, investment performance by strategy, and financing and investor liquidity
- Enhanced reporting for advisers and their private funds, including enhanced information on assets under management and asset value, withdrawal and redemption rights, inflows and outflows, borrowings and types of creditors, beneficial ownership, and fund performance
- Separate reporting for “each component fund of a master-feeder arrangement and parallel fund structure” and aggregate reporting for trading vehicles used by reporting funds

In addition, the amendments remove the aggregate reporting requirement on hedge funds by large hedge fund advisers.



Investment company reporting compliance dates extension

The SEC on April 16, 2025, announced a two-year extension of certain compliance deadlines related to amendments adopted on Aug. 28, 2024, requiring more frequent reporting on Form N-PORT. Under the extension, larger fund groups must now comply by Nov. 17, 2027, while smaller groups have until May 18, 2028. The amendments require monthly portfolio holdings data to be filed with the SEC. Notably, Form N-CEN reporting from the original release is unaffected by this extension and retains its original effective and compliance date of Nov. 17, 2025, for all funds.

Crypto asset and protocol staking activities

The SEC Division of Trading and Markets on May 15, 2025, updated frequently asked questions on the application of broker-dealer and transfer agent rules to crypto asset activities and distributed ledger technology.

Corp Fin on May 29, 2025, released a statement on protocol staking activities, offering clarity on the application of securities laws to certain staking arrangements.

Updated and new C&DIs

On April 25, 2025, Corp Fin issued updates and withdrew select C&DIs, providing clarification on Section 120 (Rule 10b5-1) and Section 220 (Rule 10b5-1) regarding the use of manipulative or deceptive devices and contrivances.

On April 11, 2025, Corp Fin published new C&DIs related to termination of reporting obligations in special purpose acquisition company (SPAC) transactions and executive compensation clawback disclosures.

From the PCAOB

Annual report

2024 Annual Report

On April 1, 2025, the PCAOB released its [2024 Annual Report](#), which includes the PCAOB's financial results, audited financial statements, auditor's report, and management's report on internal control over financial reporting. The report provides an overview of how the PCAOB has worked to protect investors by enhancing inspections, modernizing standards and rules, enforcing regulations, and prioritizing organizational effectiveness through stakeholder engagement. It also details the PCAOB's activities and achievements in 2024.

Guidance

Auditing accounting estimates

On May 21, 2025, the PCAOB released "[Audit Focus: Auditing Accounting Estimates](#)," with reminders and good practices for auditors when evaluating accounting estimates. This new edition outlines relevant auditing standards, identifies common deficiencies noted by PCAOB inspection staff, and shares practical approaches adopted by firms aimed at strengthening audit quality in this critical area.

Audit committees

Results of conversations with audit committees

On May 15, 2025, the PCAOB released a publication, "[Spotlight: 2024 Conversations With Audit Committee Chairs](#)," summarizing insights from discussions with approximately 270 audit committee chairs at U.S. public companies. The goal was to gather perspectives on audit quality and share resources to enhance audit committee effectiveness. The report identifies and provides additional details on the top five areas of significant discussions between audit committees and their audit firms:

- Factors affecting relationships with the audit firms such as communication, coordination, and technical expertise
- Firm inspection reports
- Economic environment affecting the audit
- Auditing and accounting matters
- The use of emerging technologies on the audit

The report also provides answers to audit committees' frequently asked questions of the PCAOB.

Statements and meetings

Critical role of the PCAOB

On May 23, 2025, PCAOB board member Anthony Thompson delivered a [speech](#) emphasizing the critical role of the PCAOB in maintaining trust and stability in U.S. capital markets. He said any disruption to the PCAOB's inspections and investigations could significantly erode investor confidence and the integrity of financial reporting. Thompson noted the PCAOB's contributions over the past two decades in restoring trust after major financial scandals and its efforts in enhancing audit quality through rigorous oversight and standard-setting. He warned that dismantling the PCAOB could have far-reaching impacts and reaffirmed the PCAOB's commitment to its investor protection mission and the importance of preserving the trust it has helped rebuild in the capital markets.

Standards and Emerging Issues Advisory Group meeting

The PCAOB's Standards and Emerging Issues Advisory Group held a meeting on May 22, 2025. Topics addressed included emerging issues, implementation of net and amended standards as well as a standard-setting update, ethics, and the importance of firm culture. A recording of the meeting is available on the PCAOB's [events page](#).

Investor Advisory Group meeting

The PCAOB Investor Advisory Group (IAG) held a virtual meeting on April 29, 2025. The IAG presented information on investor expectations of the audit, artificial intelligence opportunities and challenges, and the talent pipeline. The IAG also requested information on notable critical audit matters. A recording of the meeting can be found on the group's [meeting event site](#).

Inspections

Broker-dealer inspection report

The PCAOB on June 13, 2025, released its "[Annual Report on the Interim Inspection Program Related to the Audits of Brokers-Dealers](#)," which includes observations from inspections during 2024, information about the inspection approach, and reminders of the requirements of certain relevant PCAOB standards. According to the report, the percentage of audit engagements with deficiencies increased to 76% from 70% in 2023. The report notes that the PCAOB "continued to observe high deficiency rates in examination, review, and audit engagements, which continue to be a cause for significant concern." According to the PCAOB, this report should help broker-dealer management and audit committees as they work with their auditors regarding audit quality and engage on financial reporting.

With the report, the PCAOB released “Supplementary Information Related to Audits of Brokers and Dealers,” which provides comparative data about selected firms and engagements and the results of PCAOB inspections over multiyear periods.

Downloadable datasets

On April 28, 2025, the PCAOB released new downloadable datasets that include inspection findings from audit firm reports dating back to 2018. The datasets, which are machine-readable, include both Part I.A and Part I.B findings and are available in several formats. The detailed inspection findings datasets cover deficiencies in audits and noncompliance with PCAOB standards, providing comprehensive descriptions and classifications related to the identified deficiencies.

The PCAOB also updated its existing firm-level dataset to offer greater detail on reviewed audits. This initiative advances PCAOB’s commitment to transparency and investor protection by enabling stakeholders to perform deeper analyses using machine-readable data.



From the CAQ

Audit partner pulse survey

On June 5, 2025, the CAQ released its Spring 2025 Audit Partner Pulse Survey, offering insights from audit partners at leading U.S. public company audit firms about their views on the current business environment. Topics include U.S. economic health, challenges and risks facing businesses, and how they see business leaders adjusting their strategies in the current environment. Other topics covered include the accountant talent shortage, fraud risk response strategies, and the integration of new technologies such as AI and digital currencies.

The survey reveals a sharp increase in pessimism among audit partners regarding the economy, with concerns about a potential recession, geopolitical instability, and trade uncertainty. In the face of economic pressure, firms are adopting a dual strategy of reducing headcount while investing in upskilling to retain critical capabilities. However, the accounting talent shortage continues to pose a significant challenge. The survey also highlights key shifts in technology and compliance. Companies are embracing AI to improve customer service and operational efficiency, although there is minimal engagement with cryptocurrency investments. Additionally, cybersecurity concerns have increased notably since the previous report.

Auditor's role in climate-related information

In April 2025, the CAQ issued ["The Role of the Auditor in Climate-Related Information,"](#) to guide public company auditors through the evolving landscape of climate-related disclosures. As investor and regulatory focus on the reliability of environmental, social, and governance information intensifies, the publication emphasizes the critical role auditors play in the credibility of such data. It highlights the increasing demand for assurance over climate-related information and describes the types of climate-related information being disclosed and where it is disclosed.

The CAQ emphasizes that auditors can provide valuable assurance services, bolstering investor confidence in climate-related disclosures. By using their expertise in evaluating financial statements and internal controls, auditors are well positioned to assess the accuracy and completeness of climate-related information. The publication

also discusses the necessary skill sets for auditors to perform effective attestation engagements in this area, noting that many companies already seek third-party assurance to meet stakeholder expectations.

An audit committee might find this CAQ report valuable in understanding how auditors can enhance the reliability of climate-related disclosures. It can also help inform oversight of assurance engagements and guide discussions with management and auditors on the quality and scope of climate-related reporting.

Enhancing corporate ethical culture

On March 19, 2025, CAQ Director of Anti-Fraud Initiatives Lucy Wang shared her key takeaways from the Anti-Fraud Collaboration's recent posting of "The Impact of a Changing Work Environment on Corporate Culture." Wang explores strategies for maintaining an ethical corporate culture in evolving work environments, such as remote and hybrid models. She highlights the risks of employee disconnection and potential fraud, emphasizing the importance of reinforcing ethical values and strong corporate culture. Key strategies highlighted include revisiting hiring processes, assigning peer mentors, assessing governance and risk management, and leveraging technology for fraud detection. The post also stresses the need for flexibility, effective change management, and strong leadership to foster an ethical culture. In noting that there is not just one approach to establishing a strong ethical culture, Wang listed a variety of tools that organizations might consider to enhance their culture, reinforce ethical behavior, and deter fraud.

Fraud deterrence and detection

On March 10, 2025, Wang posted insights from the CAQ's recent Fraud Forum. The forum gathered financial reporting stakeholders to discuss emerging fraud risks and best practices. Key points include the importance of understanding fraud's impact, the human element in prevention, and fostering a strong ethical culture. Wang underscores the role of hotlines and internal reporting in fraud detection and the evolving expectations of investors. Practical steps for enhancing detection include the use of forensic experts and open-ended questions. The fight against fraud is focusing on technology, data analytics, and improved training. Wang further highlighted that transparency, collaboration, and proactive risk assessment are vital for building a more fraud-resilient future. The CAQ is encouraging organizations to continuously assess risks and adopt innovative deterrence and detection strategies.

From the GASB

Final standards

Implementation guidance update

On June 23, 2025, the GASB issued “[Implementation Guidance Update – 2025](#),” to clarify, explain, or elaborate on certain GASB pronouncements. The guide includes 16 new questions and answers to address application of existing GASB standards covering various topics including the following:

- Statement of cash flows reporting (4.1)
- Basic financial statements and management’s discussion and analysis (4.2-4.7)
- Leases (4.8-4.9)
- Conduit debt obligations (4.10)
- Accounting changes and error corrections (4.11-4.14)
- Compensated absences (4.15)
- Financial reporting model improvements (4.16)

In addition, the guide also amends two questions and answers from “Implementation Guide 2015-1” related to the relationship between holding title and asset ownership and the requirement to use special revenue funds to report restricted or committed revenue sources (5.1-5.2).

Effective dates

The requirements of this implementation guide are effective as follows:

- Question 4.16 is effective upon issuance of this implementation guide.
- Questions 4.1-4.15, 5.1, and 5.2 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Early application is encouraged for guidance related to standards that already have been implemented.



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>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>ASU 2022-05 – Revises transition guidance to allow for an insurance entity to make an accounting policy election on a transaction-by-transaction basis. An insurance entity may elect to exclude contracts from applying the amendments if certain conditions are met as of the effective date.</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>	Permitted
<p>Amendments to SEC Paragraphs Pursuant to SAB 122 (ASU 2025-02)</p> <p>Removes text of SEC Staff Accounting Bulletin (SAB) Topic 5.FF, “Accounting for Obligations To Safeguard Crypto-Assets an Entity Holds for Its Platform Users,” from Accounting Standards Codification 405-10-S99-1 as SAB 122 rescinded this topic.</p>	March 18, 2025 (upon issuance)	Not applicable
<p>Joint Venture Formations (ASU 2023-05)</p> <p>Amends the accounting for contributions made to a joint venture upon formation in a joint venture’s separate financial statements. The amendments require that a joint venture apply a new basis of accounting upon formation. By applying a new basis of accounting, a joint venture, upon formation, will recognize and initially measure its assets and liabilities at fair value with exceptions to the fair value measurement that are consistent with the business combination guidance.</p>	March 31, 2025	Permitted, including in an interim period

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Crypto Assets (ASU 2023-08) Requires holdings of certain crypto assets to be measured at fair value at each reporting period with changes in fair value recorded through earnings. The amendments apply to assets meeting certain defined characteristics and require crypto assets to be presented separately from other intangible assets on the balance sheet with changes in fair value presented separately from other changes in intangible assets on the income statement. Requires extensive disclosure about crypto assets measured at fair value on an interim and annual basis, requires an annual rollforward of an entity's crypto holdings, and specifies certain statement of cash flows presentation for crypto assets received as noncash consideration in the ordinary course of business and converted nearly immediately into cash.	March 31, 2025	Permitted, including in an interim period
Scope Application of Profits Interest Awards (ASU 2024-01) Provides an illustrative example compromised of four fact patterns to demonstrate how an entity should apply the guidance in paragraph 718-10-15-3 when determining whether a profits interest award should be accounted for in accordance with Topic 718. The four fact patterns illustrate how the guidance in paragraph 718-10-15-3 applies to common award features.	March 31, 2025	Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.
Amendments to Remove References to the Concepts Statements (ASU 2024-02) Removes references to concept statements, a nonauthoritative source of literature, in the guidance. The amendments simplify the codification and distinguish between authoritative and nonauthoritative literature by addressing 16 topical issues.	March 31, 2025	Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Improvements to Income Tax Disclosures (ASU 2023-09) Enhances transparency into income tax disclosures. Requires annual disclosure of certain information relating to the rate reconciliation, income taxes paid by jurisdiction, income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, and income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. Eliminates certain requirements relating to unrecognized tax benefits and certain deferred tax disclosure relating to subsidiaries and corporate joint ventures.	Dec. 31, 2025	Permitted
Induced Conversions of Convertible Debt Instruments (ASU 2024-04) Clarifies whether certain settlements of convertible debt instruments should be accounted for as an induced conversion if certain conditions are met and provides certain clarifications.	March 31, 2026	Permitted
Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity (ASU 2025-03) Enhances the guidance in Topic 805, “Business Combinations,” for determining the accounting acquirer. When an acquisition is primarily executed through an exchange of equity interests and the legal acquiree is a VIE that qualifies as a business, the amendments require entities to apply the factors outlined in ASC 805-10-55-12 through 55-15 to identify the accounting acquirer.	March 31, 2027	Permitted, including in an interim period
Clarifications to Share-Based Consideration Payable to a Customer (ASU 2025-04) Clarifies guidance in Topic 606 and Topic 718 related to share-based payments made as consideration payable to a customer. The update revises the Master Glossary definition of a performance condition to include conditions tied to a customer’s purchases or those of other parties within the distribution chain. This revised definition applies only to share-based consideration payable to customers and cannot be analogized to awards granted to employees or nonemployees. Additionally, the ASU clarifies that grantors must evaluate the likelihood of vesting using Topic 718 alone and should not apply the variable consideration constraints from Topic 606.	March 31, 2027	Permitted, including in an interim period

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Disaggregation of Income Statement Expenses (ASU 2024-03) Requires disclosure of information about certain costs and expenses for public business entities relating to purchases of inventory, employee compensation, depreciation, intangible asset amortization; and depreciation, depletion, and amortization recognized as part of oil and gas-producing activities included in each relevant expense caption. The amendments also require certain other disclosures. Clarifying standard: ASU 2025-01 – Clarifies the effective date.	Dec. 31, 2027	Permitted
Disclosure Improvements (ASU 2023-06) Amends disclosure or presentation requirements and provides clarifications or technical corrections to a variety of topics within the codification pursuant to matters identified by the Securities and Exchange Commission in its August 2018 Release No. 33-10532, “Disclosure Update and Simplification.”	For SEC filers and certain entities required to file or furnish financial statements with the SEC, when removal of the related disclosure from Regulation S-X or Regulation S-K becomes effective	Prohibited

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
Long-Duration Insurance Contracts (ASU 2018-12) 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. Clarifying standards: ASU 2019-09 – Deferral of effective dates. ASU 2020-11 – Deferral of effective dates. ASU 2022-05 – Revises transition guidance to allow for an insurance entity to make an accounting policy election on a transaction-by-transaction basis. An insurance entity may elect to exclude contracts from applying the amendments if certain conditions are met as of the effective date.	Dec. 31, 2025	Permitted
Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (ASU 2022-03) Clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. Clarifies that an entity cannot recognize and measure a contractual sale restriction as a separate unit of account. The amendments include various disclosure requirements.	Dec. 31, 2025	Permitted, including in an interim period
Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (ASU 2023-02) Expands the option to account for tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. For tax equity investments not accounted for under the proportional amortization method, the amendments require entities to apply ASC Topic 323, "Equity Method or Joint Ventures," or ASC Topic 321, "Investments – Equity Securities." The amendments require specific disclosures that must be applied to all investments that generate income tax credits and income tax benefits from a tax credit program for which an entity has elected to apply the proportional amortization method, including investments within the tax credit program that do not otherwise qualify for the proportional amortization method.	Dec. 31, 2025	Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Joint Venture Formations (ASU 2023-05) Amends the accounting for contributions made to a joint venture upon formation in a joint venture's separate financial statements. The amendments require that a joint venture apply a new basis of accounting upon formation. By applying a new basis of accounting, a joint venture, upon formation, will recognize and initially measure its assets and liabilities at fair value with exceptions to the fair value measurement that are consistent with the business combination guidance.	Dec. 31, 2025	Permitted, including in an interim period
Crypto Assets (ASU 2023-08) Requires holdings of certain crypto assets to be measured at fair value at each reporting period with changes in fair value recorded through earnings. The amendments apply to assets meeting certain defined characteristics and require crypto assets to be presented separately from other intangible assets on the balance sheet with changes in fair value presented separately from other changes in intangible assets on the income statement. Requires extensive disclosure about crypto assets measured at fair value, requires an annual rollforward of an entity's crypto holdings, and specifies certain statement of cash flows presentation for crypto assets received as noncash consideration in the ordinary course of business and converted nearly immediately into cash.	Dec. 31, 2026	Permitted
Improvements to Income Tax Disclosures (ASU 2023-09) Enhances transparency into an entity's income tax disclosures. Requires annual disclosure of qualitative information about specific categories of reconciling items and individual jurisdictions that result in a significant difference between the statutory and effective tax rate. Requires annual disclosure of income taxes paid by jurisdiction, income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, and income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. Eliminates certain requirements relating to unrecognized tax benefits and certain deferred tax disclosure relating to subsidiaries and corporate joint ventures.	Dec. 31, 2026	Permitted
Scope Application of Profits Interest Awards (ASU 2024-01) Provides an illustrative example comprised of four fact patterns to demonstrate how an entity should apply the guidance in paragraph 718-10-15-3 when determining whether a profits interest award should be accounted for in accordance with Topic 718. The four fact patterns illustrate how the guidance in paragraph 718-10-15-3 applies to common award features.	Dec. 31, 2026	Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Amendments to Remove References to the Concepts Statements (ASU 2024-02) Removes references to concept statements, a nonauthoritative source of literature, in the guidance. The amendments simplify the codification and distinguish between authoritative and nonauthoritative literature by addressing 16 topical issues.	Dec. 31, 2026	Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.
Induced Conversions of Convertible Debt Instruments (ASU 2024-04) Clarifies whether certain settlements of convertible debt instruments should be accounted for as an induced conversion if certain conditions are met and provides certain clarifications.	Dec. 31, 2026	Permitted
Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity (ASU 2025-03) Enhances the guidance in Topic 805, “Business Combinations,” for determining the accounting acquirer. When an acquisition is primarily executed through an exchange of equity interests and the legal acquiree is a variable interest entity (VIE) that qualifies as a business, the amendments require entities to apply the factors outlined in ASC 805-10-55-12 through 55-15 to identify the accounting acquirer.	Dec. 31, 2027	Permitted, including in an interim period
Clarifications to Share-Based Consideration Payable to a Customer (ASU 2025-04) Clarifies guidance in Topic 606 and Topic 718 related to share-based payments made as consideration payable to a customer. The update revises the Master Glossary definition of a performance condition to include conditions tied to a customer’s purchases or those of other parties within the distribution chain. This revised definition applies only to share-based consideration payable to customers and cannot be analogized to awards granted to employees or nonemployees. Additionally, the ASU clarifies that grantors must evaluate the likelihood of vesting using Topic 718 alone and should not apply the variable consideration constraints from Topic 606.	Dec. 31, 2027	Permitted, including in an interim period
Disclosure Improvements (ASU 2023-06) Amends disclosure or presentation requirements and provides clarifications or technical corrections to a variety of topics within the codification pursuant to matters identified by the Securities and Exchange Commission in its August 2018 Release No. 33-10532, “Disclosure Update and Simplification.”	Two years after removal of the related disclosure from Regulation S-X or Regulation S-K are proposed and become effective	Prohibited

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>Compensated Absences (GASB Statement 101)</p> <p>Provides recognition and measurement guidance for all types of compensated absences under a unified model. This statement requires that a liability for compensated absences be recognized if all of these occur: 1) The leave is attributable to services already rendered. 2) The leave accumulates. 3) The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement amends the existing disclosure requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability, and it no longer requires the government to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.</p>	Dec. 15, 2023	Permitted
<p>Certain Risk Disclosures (GASB Statement 102)</p> <p>Provides users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If these criteria are met, the statement provides disclosure requirements that will enable users of financial statements to understand the nature of the concentrations or constraints identified and the government’s vulnerability to the risk of a substantial impact.</p>	June 15, 2024	Permitted

GASB statement	Effective dates – reporting periods beginning after	Early adoption
Financial Reporting Model Improvements (GASB Statement 103) Improves key areas of the current financial reporting model, including enhancements of management's discussion and analysis (MD&A); presentation of the proprietary fund statement of revenues, expenses, and changes in net position; budgetary comparison information requirement changes; display of unusual or infrequent items; presentation of major component unit information; and other application issues.	June 15, 2025	Permitted
Disclosure of Certain Capital Assets (GASB Statement 104) Provides users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets.	June 15, 2025	Permitted



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