

**Deloitte.**

Accounting Roundup  
Third Quarter in Review — 2013





To our clients, colleagues, and other friends:

Welcome to the quarterly edition of *Accounting Roundup*. During the third quarter of 2013, the FASB continued to work with the Private Company Council on developing simpler, alternative accounting requirements for private companies by issuing proposals on consolidation, intangible assets acquired in a business combination, goodwill, and interest rate swaps. In a related development, the FASB issued a proposed ASU that not only would add the term “public business entity” to the Codification Master Glossary but also would clarify the types of organizations that would be outside the scope of the private-company decision-making framework once it is finalized.

In addition, at their joint meetings in September, the FASB and IASB made several tentative decisions related to their projects on the classification and measurement of financial assets and tentatively agreed to clarify certain aspects of their respective impairment models.

In other news, the EITF met in September and reached consensus-for-exposure on two Issues. Also, the PCAOB issued proposed standards that would significantly enhance the auditor’s reporting model and released its second progress report detailing the findings it has made as part of its interim inspection program for broker-dealers.

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

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

Be sure to monitor upcoming issues of *Accounting Roundup* for new developments. We value your feedback and would appreciate any comments you may have on *Accounting Roundup: Third Quarter in Review — 2013*. Take a moment to tell us what you think by sending us an e-mail at [accountingstandards@deloitte.com](mailto:accountingstandards@deloitte.com).

## ***Dbriefs* for Financial Executives**

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- Monday, October 14: [An Enterprising Approach to Big Data and Fraud Management](#).
- Wednesday, October 16, 3:00 p.m. (EDT): [Divestitures: What CFOs Should Know When Preparing to Sell a Business](#).
- Thursday, October 31: [Risk-Adjusted Forecasting and Planning: Balancing the Risk-Return Equation](#).
- Tuesday, November 5: [Deal Predictions: Middle-Market Opportunities and Challenges in 2014](#).
- Monday, November 11: [Organizational Transformation: Value Creation Through Alignment Between Tax Planning and Operations](#).
- Tuesday, November 19: [EITF Roundup: Highlights From the November Meeting](#).
- Wednesday, November 20, 3:00 p.m. (EST): [Pricing for Growth: Addressing Growth Ambitions Through Improved Price and Promotion Management](#).
- Thursday, November 21: [SEC Hot Topics](#).
- Friday, November 22: [Transforming Risk Management for Value Creation: Road-Mapping Your Journey](#).

- Wednesday, December 4: [Sanctioned Countries, Corruption, and Illicit Fund Flow: Navigating a Global Minefield.](#)
- Friday, December 13: [2014 Boardroom Agenda: 2013 Observations and a Look Ahead.](#)
- Wednesday, December 18, 3:00 p.m. (EST): [Planning, Budgeting, and Forecasting: New Approaches for a New Normal?](#)
- Thursday, December 19: [Quarterly Accounting Roundup: An Update on Important Developments.](#)

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## Deloitte Publications

Publication	Title	Affects
September 19, 2013, <a href="#">Heads Up</a>	<i>XBRL — Past, Present, and Future</i>	Public entities.
September 5, 2013, <a href="#">Heads Up</a>	<i>PCAOB Proposes Changes to the Auditor's Reporting Model and the Auditor's Responsibilities Regarding Other Information</i>	Auditors of public entities.
September 2013 <a href="#">EITF Snapshot</a>		All entities.
September 2013 <a href="#">Banking &amp; Securities Spotlight</a>	<i>SEC Issues Final Amendments to FRRs</i>	Broker-dealers.
September 2013 <a href="#">Banking &amp; Securities Spotlight</a>	<i>SEC Issues Final Amendments to Broker-Dealer Reporting Rules</i>	Broker-dealers.
August 27, 2013, <a href="#">Heads Up</a>	<i>FASB Issues Proposed ASU on Alternative Consolidation Requirements for Private Companies</i>	Private companies.
August 26, 2013, <a href="#">Heads Up</a>	<i>IASB Invites Comments on Financial Reporting Framework</i>	Entities reporting under IFRSs.
August 20, 2013, <a href="#">Heads Up</a>	<i>Boards Discuss Constituent Feedback on Impairment Proposals</i>	All entities.
August 19, 2013, <a href="#">Heads Up</a>	<i>FASB Proposes Definition of a Public Business Entity</i>	All entities.
August 19, 2013, <a href="#">Financial Reporting Alert</a>	<i>Accounting for Impaired Debt Securities</i>	Entities with holdings of impaired debt securities.
August 6, 2013, <a href="#">Heads Up</a>	<i>FASB Issues Exposure Draft on Insurance Contracts</i>	Entities that issue insurance contracts or hold reinsurance contracts that are within the proposal's scope.
August 2, 2013, <a href="#">Heads Up</a>	<i>Stakeholders Divided on FASB Classification and Measurement Proposal</i>	All entities.
July 22, 2013, <a href="#">Heads Up</a>	<i>FASB Issues ASU on Presenting an Unrecognized Tax Benefit When NOL Carryforwards Exist</i>	Entities with unrecognized tax benefits for which a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists as of the reporting date.
July 12, 2013, <a href="#">Heads Up</a>	<i>FASB Defers Certain Disclosure Requirements for Nonpublic Employee Benefit Plans</i>	Nonpublic employee benefit plans.
July 9, 2013, <a href="#">Heads Up</a>	<i>FASB Proposes Alternative Accounting for Private Companies</i>	Private companies.
July 2013 <a href="#">Financial Services Spotlight — Special Edition</a>	<i>Fed Funds as a Benchmark Interest Rate</i>	Financial services entities.
July 2013 <a href="#">Oil &amp; Gas Spotlight</a>	<i>FASB and IASB Re-Lease Proposed Standard</i>	Oil and gas entities.
July 2013 <a href="#">Power &amp; Utilities Spotlight</a>	<i>Shedding Light on the Proposed Leases Standard</i>	Power and utilities entities.

## Leadership Changes

**FASB:** On July 24, 2013, the FAF appointed [James L. Kroeker](#) as a board member and vice chairman of the FASB. As vice chairman, Mr. Kroeker will assist Russell G. Golden, who replaced Leslie F. Seidman as FASB chairman on July 1, 2013. Previously, Mr. Kroeker worked as a deputy managing partner in Deloitte’s Washington, D.C., office and served as SEC chief accountant from 2009 to 2012.

**SEC:** In August 2013, the SEC announced the appointments of [Kara Stein](#) and [Michael Piwowar](#) as SEC commissioners for terms expiring on June 5, 2017, and June 5, 2018, respectively. Ms. Stein succeeds Democratic Commissioner Elisse Walter, who had served as commissioner since July 2008, and Dr. Piwowar replaces Republican Commissioner Troy Paredes, who had served since August 2008.

**IAASB:** On September 9, 2013, IFAC announced the reappointment of [Arnold Schilder](#) as IAASB chairman for a third three-year term beginning on January 1, 2015.



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## Accounting — New Standards and Exposure Drafts

### EITF

#### FASB Issues ASU in Response to EITF Consensus on Presenting an Unrecognized Tax Benefit When NOL Carryforwards Exist

**Affects:** Entities with unrecognized tax benefits (UTBs) for which a net operating loss (NOL) carryforward, a similar tax loss, or a tax credit carryforward exists as of the reporting date.

**Summary:** On July 18, 2013, the FASB issued [ASU 2013-11](#) in response to a consensus reached at the EITF's June 11, 2013, meeting. The ASU provides guidance on financial statement presentation of a UTB when an NOL carryforward, a similar tax loss, or a tax credit carryforward exists. The FASB's objective in issuing this ASU is to eliminate diversity in practice resulting from a lack of guidance on this topic in current U.S. GAAP.

Under the ASU, an entity must present a UTB, or a portion of a UTB, in the financial statements as a reduction to a deferred tax asset (DTA) for an NOL carryforward, a similar tax loss, or a tax credit carryforward except when:

- An NOL carryforward, a similar tax loss, or a tax credit carryforward is not available as of the reporting date under the governing tax law to settle taxes that would result from the disallowance of the tax position.
- The entity does not intend to use the DTA for this purpose (provided that the tax law permits a choice).

If either of these conditions exists, an entity should present a UTB in the financial statements as a liability and should not net the UTB with a DTA. New recurring disclosures are not required because the ASU does not affect the recognition or measurement of uncertain tax positions under ASC 740. This amendment does not affect the amounts public entities disclose in the tabular reconciliation of the total amounts of UTBs because the tabular reconciliation presents the gross amounts of UTBs.

**Next Steps:** The ASU's amendments are effective for public entities for fiscal years beginning after December 15, 2013, and interim periods within those years. Nonpublic entities may wait until fiscal years, and interim periods within those years, beginning after December 15, 2014, to adopt the amendments. Early adoption is permitted for all entities.

The amendments should be applied to all UTBs that exist as of the effective date. Entities may choose to apply the amendments retrospectively to each prior reporting period presented.

**Other Resources:** Deloitte's July 22, 2013, [Heads Up](#) and June 2013 [EITF Snapshot](#). ●

#### FASB Issues ASU in Response to EITF Consensus Related to Hedge Accounting

**Affects:** Entities that apply hedge accounting of the benchmark interest rate in accordance with ASC 815.

**Summary:** On July 17, 2013, the FASB issued [ASU 2013-10](#) in response to a consensus reached at the EITF's June 11, 2013, meeting. The ASU amends ASC 815 to allow entities to use the Fed Funds Effective Swap Rate, in addition to U.S. Treasury rates and LIBOR, as a benchmark interest rate in accounting for fair value and cash flow hedges in the United States. The ASU also eliminates the provision from ASC 815-20-25-6 that prohibits the use of different benchmark rates for similar hedges except in rare and justifiable circumstances.

**Next Steps:** The ASU is effective prospectively for qualifying new hedging relationships entered into on or after July 17, 2013 (i.e., the ASU's issuance date), and for hedging relationships redesignated on or after that date.

**Other Resources:** Deloitte's July 2013 [Financial Services Industry Spotlight — Special Edition](#) and June 2013 [EITF Snapshot](#). ●

## FASB Issues Three Proposed ASUs Based on EITF Consensuses-for-Exposure

**Affects:** Various entities.

**Summary:** On July 19, 2013, the FASB issued the following three proposed ASUs based on consensuses-for-exposure reached at the EITF's June 11, 2013, meeting:

- [Reclassification of Collateralized Mortgage Loans Upon a Troubled Debt Restructuring](#) — Would clarify when “a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan such that all or a portion of the loan should be derecognized and the real estate property recognized.”
- [Service Concession Arrangements](#) — Would prohibit operating entities from accounting for service concession arrangements that are within the proposal's scope as a lease.
- [Measuring the Financial Liabilities of a Consolidated Collateralized Financing Entity](#) — Entities that measure the financial assets of a consolidated collateralized financing entity (CFE) at fair value would be permitted to use the fair value of the financial assets to measure the financial liabilities of that CFE, thereby eliminating diversity in current practice related to accounting for differences between the fair value of a CFE's financial assets and the fair value of its liabilities.

Comments on the first two proposals were due by September 17, 2013. Comments on the third proposal are due by October 17, 2013.

**Other Resources:** Deloitte's June 2013 [EITF Snapshot](#). ●

## Fair Value Measurement and Disclosure

### FASB Defers Certain Disclosure Requirements for Nonpublic Employee Benefit Plans

**Affects:** Nonpublic employee benefit plans.

**Summary:** On July 8, 2013, the FASB issued [ASU 2013-09](#), which indefinitely defers the requirement for employee benefit plans within the ASU's scope to disclose quantitative information about significant unobservable inputs used in Level 3 fair value measurements of certain equity investments.

The ASU was issued in response to concerns that the disclosures required by ASU 2011-04 could compel employee benefit plans to publicize proprietary information about nonpublic employer plan sponsors or their affiliated entities. If this proprietary information is included in disclosures about significant unobservable inputs on a Form 5500 Series, it would be publicly available on the DOL's Web site. Public access to this information places the plan sponsor and its investors at a competitive disadvantage.

The deferral became effective upon the ASU's issuance.

**Other Resources:** Deloitte's July 12, 2013, [Heads Up](#). ●

## Private Companies

### PCC Votes to Finalize Two Private-Company Proposals\*

**Affects:** Private companies.

**Summary:** On October 1, 2013, the PCC voted to finalize two of its proposals containing alternative requirements for private companies: those on [interest rate swaps](#) and [accounting for goodwill in a business combination](#).

**Next Steps:** The proposals have been sent to the FASB for endorsement and, if approved by the FASB, will be issued as ASUs.

**Other Resources:** For more information about the proposals, see the “[FASB Proposes Alternative Accounting for Private Companies](#)” article below. Also see the [press release](#) on the FASB's Web site. ●

## FASB Issues Proposed ASU on Alternative Consolidation Requirements for Private Companies

**Affects:** Private companies.

**Summary:** On August 22, 2013, the FASB issued for public comment a [proposed ASU](#) that would give private companies the option of not applying the variable interest entity (VIE) consolidation guidance in ASC 810 to interests in lessor entities that are under common control if the arrangement meets all of the following conditions:

- a. The private company and the legal entity are under common control.
- b. The private company has a lease arrangement with the legal entity.
- c. Substantially all activities between the private company and the legal entity are related to the leasing activities (including supporting leasing activities) of the legal entity.

A private company that elects this proposed accounting alternative would apply it to all of its leasing arrangements that meet these conditions. Accordingly, the private company would only be required to apply the “voting interest model” in ASC 810 (formerly ARB 51) to such arrangements. In addition, a private company that applies the proposed guidance would provide all of the following additional disclosures:

- a. The key terms of the leasing arrangements
- b. The amount of debt and/or significant liabilities of the lessor entity under common control
- c. The key terms of existing debt agreements of the lessor entity under common control (for example, amount of debt, interest rate, maturity, pledged collateral, and guarantees)
- d. The key terms of any other explicit interest [in] the lessor entity under common control.

**Next Steps:** Comments on the proposed ASU are due by October 14, 2013.

**Other Resources:** Deloitte’s August 27, 2013, [Heads Up](#). ●

## FASB Issues Proposed ASU on the Definition of a Public Business Entity

**Affects:** All entities.

**Summary:** On August 7, 2013, the FASB issued a [proposed ASU](#) that would (1) amend the Codification Master Glossary to define the term “public business entity” under U.S. GAAP and (2) clarify the types of organizations that would be outside the scope of the private-company decision-making framework (PCDMF) once it is finalized.

The proposed ASU defines a public business entity as an organization that meets any of the following criteria:

1. It is required by the U.S. Securities and Exchange Commission (SEC) to file or furnish financial statements, or does file or furnish financial statements, with the SEC (including other entities whose financial statements or financial information are required to be or are included in a filing).
2. It is required by the Securities Exchange Act of 1934, as amended, or rules or regulations promulgated under the Act, to file or furnish financial statements with a regulatory agency.
3. It is required to file or furnish financial statements with a regulatory agency in preparation for the sale of securities or for purposes of issuing securities.
4. It has (or is a conduit bond obligor for) unrestricted securities that are traded or can be traded on an exchange or an over-the-counter market.
5. Its securities are unrestricted, and it is required to provide U.S. GAAP financial statements to be made publicly available on a periodic basis pursuant to a legal or regulatory requirement.

Entities that meet this definition would not be eligible to elect the accounting and reporting alternatives developed by the PCC. In addition, the proposed ASU indicates that not-for-profit organizations and employee benefit plans (within the scope of ASC 960, ASC 962, and ASC 965) would be outside the scope of the PCDMF. However, the FASB will evaluate on a standard-by-standard basis whether the accounting alternatives developed by the PCC would apply to such entities.

Comments on the proposed ASU were due by September 20, 2013.

**Other Resources:** Deloitte’s August 19, 2013, [Heads Up](#). ●

## FASB Proposes Alternative Accounting for Private Companies

**Affects:** Private companies.

**Summary:** On July 1, 2013, the FASB issued for public comment three proposed ASUs that would allow private companies to simplify their reporting under U.S. GAAP by using alternative approaches to account for (1) [identifiable intangible assets acquired in a business combination](#), (2) [goodwill](#), and (3) [certain types of interest rate swaps](#). The alternative approaches are intended to reduce the cost and complexity of financial reporting while continuing to provide decision-useful information to users of private-company financial statements.

The following is a brief summary of the three proposals:

- *Identifiable intangible assets acquired in a business combination* — A private company could elect to recognize only those intangible assets arising from noncancelable contract terms or other legal rights; as a result, some items that might otherwise be recognized as intangibles would be combined with goodwill.
- *Goodwill* — A private company could elect to amortize goodwill. In addition, the goodwill impairment testing requirements for private companies would be simplified; under these requirements, goodwill would be tested (1) only when a triggering event occurs (rather than annually and when a triggering event occurs) and (2) on an entity-wide basis (rather than at the reporting-unit level).
- *Interest rate swaps* — A private company other than a financial institution that enters into an interest rate swap to economically convert its variable-rate borrowing to a fixed-rate borrowing could elect to apply one of two approaches that result in the presentation of periodic interest expense consistent with a fixed-rate borrowing.

Comments on the three proposed ASUs were due by August 23, 2013.

**Other Resources:** Deloitte's July 9, 2013, [Heads Up](#). ●

## Accounting — Other Key Developments

### Consolidation

#### FASB Discusses Plan to Redeliberate Principal-Versus-Agent Proposal\*

**Affects:** All entities.

**Summary:** At its September 11, 2013, meeting, the FASB discussed its plan to redeliberate its [proposed ASU](#) on the principal-versus-agent analysis. Issued in November 2011, the proposed ASU provides guidance on identifying when an entity with an interest in another entity is acting as a principal (and therefore may be required to consolidate the other entity) or as an agent of another party (and therefore may not be required to consolidate the other entity).

The meeting handout notes that on the basis of feedback received on the proposed ASU, the Board will redeliberate the following issues over the next several months:

- "The overall principle in the principal versus agent analysis."
- "The factors that the decision maker must consider, and the weighting of each factor."
- "Participating rights and redemption rights."
- "Decision maker's exposure to negative and positive returns."
- "Consolidation conclusions for money market funds."
- "Related party issues and the proposed requirement that the decision maker must consider any indirect interests held through related parties."
- "Effective date and transition requirements."

**Next Steps:** The Board indicated that it is expecting to issue a final ASU on the principal-versus-agent analysis in the second half of 2014.

**Other Resources:** For additional information about the project's history and Board decisions reached to date, see the [project page](#) on the FASB's Web site. ●

## Convergence of Accounting Standards

### FSB Releases Progress Report on State of Global Financial System, Cites Convergence of Accounting Standards as a Concern\*

**Affects:** All entities.

**Summary:** On September 5, 2013, in preparation for the upcoming summit meeting of the G20 leaders, the FSB released a [progress report](#) detailing the policy reforms that are underway to correct the regulatory weaknesses that precipitated the global financial crisis. According to the FSB, the development of a single set of high-quality accounting standards is a key step toward achieving the objective of a more stable global system. The report notes that although the FASB and IASB have made substantial progress in convergence efforts related to their various projects (e.g., the boards expect to complete their redeliberations of the classification and measurement phase of their financial instruments project by the end of 2013), there remains significant work to be done, particularly on the loan loss impairment and insurance contracts projects.

**Other Resources:** For more information, see the [article](#) on Deloitte's *IASPlus* Web site. ●

## Development-Stage Entities

### FASB Decides to Amend Presentation and Disclosure Requirements for Development-Stage Entities\*

**Affects:** Development-stage entities.

**Summary:** At its September 11, 2013, meeting, the FASB decided to issue a proposed ASU containing amendments that would supersede the presentation and disclosure provisions for development-stage entities in ASC 915, including the requirement that such entities present inception-to-date information in their financial statements and disclose information about the nature of their activities.

**Next Steps:** The proposal is expected to be issued in the fourth quarter of 2013.

**Other Resources:** For additional information about the Board's tentative decisions and objectives related to the project, see the [project page](#) on the FASB's Web site. ●

## EITF

### EITF Discusses Various Issues During September Meeting\*

**Affects:** All entities.

**Summary:** At its September 2013 meeting, the EITF discussed the following Issues:

- *Issue 13-B, "Accounting for Investments in Tax Credits"* — The Task Force has not yet reached a consensus on this Issue. However, it has made certain tentative decisions related to an entity's accounting for low-income housing tax credit (LIHTC) and other tax credit investments, including the criteria that must be met before an entity would be permitted to apply the proportionate amortization method to such investments. In addition, the Task Force has requested that the FASB staff perform additional outreach to determine whether there are unforeseen consequences that may result from permitting entities to apply the guidance in this Issue to tax credit investments other than LIHTC investments and to consider whether the qualifying criteria should be further modified to address conditions that are unique to these other tax credit investments. The Task Force plans to discuss the effective date of this Issue at a future meeting but has tentatively decided that it would be applied retrospectively to all prior periods presented.

- *Issue 13-D, “Determination of Whether a Performance Target That Can Be Met After the Requisite Service Period Is a Performance Condition or a Condition That Affects the Grant-Date Fair Value of the Awards”* — The Task Force reached a consensus-for-exposure that entities should treat performance targets that can be met after the requisite service period as performance conditions that affect vesting. Under this consensus, an entity would not record compensation expense (measured as of the grant date without consideration of the performance target) related to an award for which transfer to the employee is contingent on the entity’s satisfaction of a performance target until it becomes probable that the performance target will be met. This Issue would be applied prospectively to awards that are granted or modified on or after the effective date of a final ASU related to this Issue. The Task Force will discuss the Issue’s effective date at a future meeting. FASB ratification is expected at the Board’s October 2, 2013, meeting, after which the proposed ASU will be exposed for public comment.
- *Issue 13-G, “Determining Whether the Host Contract in a Hybrid Financial Instrument Is More Akin to Debt or to Equity”* — The Task Force reached a consensus-for-exposure that would require entities to apply the whole-instrument approach<sup>1</sup> when determining the nature of the host contract in a hybrid financial instrument issued in the form of a share. The chameleon approach<sup>2</sup> would not be permitted. In addition, entities would be required to determine the nature of the host contract in a convertible preferred equity instrument with a fixed-price redemption feature by considering all relevant terms and features of the instrument and weighing each feature on the basis of the relevant facts. There would not be a rebuttable presumption that a convertible preferred equity instrument with a fixed-price redemption feature is debt-like because of the redemption feature.

**Other Resources:** For more information, see the EITF’s [meeting materials and minutes](#) on the FASB’s Web site. Also see Deloitte’s September 2013 *EITF Snapshot*, which summarizes meeting deliberations and tentative decisions. ●

## Financial Instruments: Classification and Measurement

### FASB and IASB Make Tentative Decisions Related to Classification and Measurement Models for Financial Assets\*

**Affects:** Various entities.

**Summary:** At their September 18, 2013, joint meeting, the FASB and IASB made several tentative decisions related to the contractual cash flow characteristics assessment in their classification and measurement models for financial assets. Both boards’ proposed models specify that a financial asset meets the requirements of the contractual cash flow characteristics assessment if the contractual terms of the instrument “give rise on specified dates to cash flows that are solely payments of principal and interest [SPPI] on the principal amount outstanding.” An asset that meets the SPPI condition may be accounted for at amortized cost or at fair value with qualifying changes in fair value recognized in other comprehensive income depending on the business model in which the asset is held.

Further, the boards made tentative decisions regarding the following aspects of the contractual cash flow characteristics test:

- The meaning of principal.
- The meaning of interest.
- Contingent features.
- Prepayment (and extension) options.

**Next Steps:** The boards plan to redeliberate certain of the issues discussed at a future meeting.

**Other Resources:** For more information, see the [summary of Board decisions](#) on the FASB’s Web site. Also see Deloitte’s August 2, 2013, *Heads Up*. ●

<sup>1</sup> Under the whole-instrument approach, an entity determines the nature of the host contract by considering all stated and implied substantive terms and features of the hybrid instrument, including the embedded feature being analyzed for bifurcation. When the whole-instrument approach is used to analyze a hybrid instrument with multiple embedded features, the nature of the host contract should not change as each embedded feature is analyzed separately.

<sup>2</sup> Under the chameleon approach, an entity determines the nature of the host contract by considering all stated and implied substantive terms and features of the hybrid instrument, except for the particular embedded feature being analyzed for bifurcation. When the chameleon approach is used to analyze a hybrid instrument with multiple embedded features, the nature of the host contract may change as each embedded feature is analyzed separately.

## Financial Instruments: Impairment

### FASB and IASB Tentatively Agree to Clarify Certain Aspects of Their Impairment Models\*

**Affects:** All entities.

**Summary:** At their September 17, 2013, joint meeting, the FASB and IASB tentatively decided to clarify certain elements of their respective impairment models on the basis of comment-letter feedback. The boards further decided to discuss opportunities to converge on this topic at future meetings.

The FASB tentatively decided to clarify in the final standard that in the estimation of expected credit losses:

- An entity should use historical average loss experience for future periods that are beyond periods for which the entity is able to make reasonable and supportable forecasts.
- All contractual cash flows over the life of the asset should be considered, including reasonably expected prepayments; renewals, extensions, and modifications should not be considered, unless the entity reasonably expects to execute a troubled debt restructuring with a borrower.<sup>3</sup>
- The risk of loss, even if remote, should always be reflected; credit loss would not be recognized when the amount of loss would be zero for an asset for which risk of nonpayment would be higher than zero (e.g., for assets that are collateralized).
- In addition to the discounted cash flow method, an entity would be allowed to use loss-rate methods, probability-of-default methods, or a provision matrix using a loss factor estimation method.

The FASB also decided to include in the final standard implementation guidance on factors related to current conditions and reasonable and supportable forecasts that an entity should consider in adjusting historical loss experience.

The IASB tentatively decided to:

- Clarify in the final standard that the objective of the impairment model is to recognize lifetime expected credit losses on all financial instruments for which there has been a significant increase in credit risk, *whether on an individual or a portfolio basis*. In assessing the change in the credit risk for those instruments, entities would not rely solely on delinquency information (e.g., a status of 30 days past due) and should consider all reasonable and supportable information, including forward-looking information. The final standard will include an example to illustrate that clarification.
- Retain the 12-month expected credit loss measurement objective for financial instruments for which there has not been a significant increase in credit risk.
- Require entities to apply a definition of “default” in accordance with the entity’s credit risk management practices and to consider qualitative factors (e.g., the obligor’s ability to pay future contractual payments in full) as part of such application. In addition, the Board would include in the standard a rebuttable presumption that assets are considered to have defaulted when they are 90 days past due, unless an entity’s reasonable and supportable information indicates that a different quantitative default criterion would be more appropriate.

**Other Resources:** For more information, see the [summary of Board decisions](#) on the FASB’s Web site. ●

<sup>3</sup> The Board believes that an entity would not consider potential future losses that could result from the future renewal, modification, or extensions in estimating expected credit losses because the lender has not yet been exposed to such credit losses.

## Taxonomy

### FASB Releases Proposed 2014 U.S. GAAP Financial Reporting Taxonomy for Public Comment

**Affects:** All entities.

**Summary:** On August 30, 2013, the FASB issued for public comment its proposed [2014 U.S. GAAP financial reporting taxonomy](#). The taxonomy, which constitutes a series of XBRL-coded financial labels that SEC registrants use to tag their financial statements, includes ASUs and other updates that have been made since the issuance of the 2013 version.

**Next Steps:** Comments on the proposed taxonomy are due by October 31, 2013.

**Other Resources:** For more information, see the [press release](#) on the FASB's Web site. Also see Deloitte's September 19, 2013, [Heads Up](#) for more information about XBRL. ●

## International

### IASB Proposes Interim Amendments to IFRS Taxonomy 2013 for Public Comment\*

**Affects:** Entities reporting under IFRSs.

**Summary:** On September 9, 2013, the IASB issued an [ED](#) that proposes interim amendments to the IFRS Taxonomy 2013, which is an XBRL translation of IFRSs issued as of January 1, 2013. The IASB's purpose in issuing this interim release is to give its constituents the opportunity to comment on certain important concepts now so that it can accelerate the timeline for release of the IFRS Taxonomy 2014. The proposed changes on which comments are requested include the narrow-scope amendments to IAS 36, structural changes to the taxonomy, and inclusion of a new documentation linkbase.

**Next Steps:** Comments on the ED are due by November 11, 2013. ●

### IASB Issues Discussion Paper on Conceptual Framework

**Affects:** Entities reporting under IFRSs.

**Summary:** On July 18, 2013, the IASB issued a [DP](#) that would revise its Conceptual Framework for Financial Reporting to clarify, expand on, and modernize certain framework concepts that the IASB uses to develop and amend IFRSs. For example, the DP suggests that the IASB do the following:

- Revise the framework's purpose statement.
- Clarify the definitions of assets and liabilities and provide additional guidance on how they should be recognized and derecognized.
- Add new sections on measurement, presentation, and disclosure.

**Next Steps:** Comments on the DP are due by January 14, 2014.

**Other Resources:** For more information, see Deloitte's August 26, 2013, [Heads Up](#) as well as the [press release](#) on the IASB's Web site. ●

### EDTF Issues Progress Report on Implementation of Disclosure Recommendations

**Affects:** Banking entities.

**Summary:** On July 2, 2013, the EDTF released a [progress report](#) on the level and quality of implementation of recommendations it made in October 2012 for enhancements to the risk disclosures made by banks. The recommendations "are designed to provide timely information useful to investors and other users, which can contribute, over time, to improved market confidence in financial institutions."

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

## Auditing Developments

### AICPA

#### AICPA Proposes New Definition of “Those Charged With Governance”\*

**Affects:** All entities.

**Summary:** On September 10, 2013, the PEEC of the AICPA issued an [ED](#) that proposes a new definition of “those charged with governance” under ET Section 92 of the AICPA’s *Professional Standards*. The new definition would be consistent with definitions of the term used in existing guidance issued by the ASB, IESBA, and IAASB.

**Next Steps:** Comments on the ED are due by November 10, 2013. ●

#### AICPA Announces New and Revised Publications\*

**Affects:** Entities within the scope of the publications and their auditors.

**Summary:** In [July](#), [August](#), and [September](#) 2013, the AICPA issued updates announcing the following new and revised publications:

- Minor editorial changes to its checklists and illustrative financial statements for [defined benefit pension plans](#), [defined contribution retirement plans](#), and [health and welfare benefit plans](#).
- Minor editorial changes to its audit risk alerts on [real estate and construction](#) and [state and local governmental developments](#).
- Conforming changes to certain AU-C sections to reflect the issuance of SAS 127.
- Conforming changes to AT Section 501 to reflect the issuance of SASs 122–126.
- The 2013 editions of its audit and accounting guides on [broker-dealers](#), [construction contractors](#), and [service organizations](#).
- Minor editorial changes to its audit and accounting guides on [employee benefit plans](#), [investment companies](#), and [privately-held-company equity securities](#).
- A new alert, *Understanding the Financial Reporting Framework for Small- and Medium-Sized Entities*.
- *SOP 13-2, Performing Agreed-Upon Procedures Engagements That Address the Completeness, Mapping, Consistency, or Structure of XBRL-Formatted Information*.
- A revision to TIS Section 2220.24 (on redemption of long-term investments) in its [TPAs](#).
- An amendment to Interpretation 101-3 under Rule 101 of its [Code of Professional Conduct](#). ●

#### AICPA Issues ED on Trust Services Principles

**Affects:** Practitioners providing attestation or consulting services.

**Summary:** On July 30, 2013, the ASEC of the AICPA issued an [ED](#) that would establish criteria “for use by practitioners when providing attestation or consulting services to evaluate controls relevant to the security, availability, and processing integrity of a system, and the confidentiality and privacy of the information processed by the system.”

Comments on the ED were due by September 30, 2013. ●

## AICPA Issues Proposal on Clarifying Attestation Standards

**Affects:** Practitioners that perform and report on attestation engagements.

**Summary:** On July 24, 2013, the ASB of the AICPA issued a [proposed SSAE](#) that would supersede certain of its attestation standards. The proposal, which is divided into four chapters, constitutes part of the AICPA's larger project to "address concerns over the clarity, length, and complexity of its standards." Specific changes include the following:

- Guidance would be restructured according to whether it applies to all attestation engagements (chapter 1) or specific types of engagements (chapters 2–4). Further, in line with its plan to "converge its standards with those of the IAASB," chapters 1–3 of the proposed SSAE would mirror relevant sections of the IAASB's ISAEs.
- Unlike current SSAEs, the proposal would require practitioners to obtain from responsible parties both a written assertion and a representation letter (existing guidance contains certain exceptions to these requirements).
- Practitioners are required to "obtain a more in-depth understanding . . . of the subject matter" so that they can "better identify the risks of material misstatement in an examination engagement."
- The proposal would modify the requirement under which a practitioner should "disclaim an opinion or withdraw from the engagement" when the engaging or responsible partner imposes restrictions significantly limiting the engagement's scope. Under the proposal, the practitioner should first perform an assessment to determine whether it should "express a qualified opinion, disclaim an opinion, or withdraw from the engagement."

The ASB has not yet decided on an effective date for the proposed SSAE because it is still working on the corresponding project to clarify the relevant subject-matter sections of its attestation standards and expects that the effective dates of the two EDs will be the same. However, the two documents are not expected to become effective before December 15, 2014.

**Next Steps:** Comments on the proposed SSAE are due by October 24, 2013.

**Other Resources:** For more information about the ASB's [clarity project](#), see the AICPA's Web site. ●

## CAQ

### CAQ Releases Highlights of SEC Regulations Committee's June 18 Meeting

**Affects:** All entities.

**Summary:** In July, the CAQ posted [highlights](#) of the June 18, 2013, CAQ SEC Regulations Committee joint meeting with the SEC staff to its Web site. Topics discussed at the meeting included:

- Reviews of registrants' cybersecurity disclosures.
- Recently issued C&DIs.
- Upcoming FRM updates.
- JOBS Act FAQs.
- Recommendations made by the SEC Advisory Committee on Small and Emerging Businesses.
- FAQs related to the SEC's rules on conflict minerals and resource extraction issuers.
- Revised COSO framework.
- Upcoming roundtable on financial disclosures.
- SEC rules related to "pro forma information reflecting a significant disposition of a business."

- Impact of FASB's and IASB's joint revenue recognition standard on disclosures outside the financial statements.
- Whether "the adoption of a new accounting standard via retrospective application to previously issued financial statements would require the registrant to reassess the significance of equity method investees under Rule 3-09 of Regulation S-X with respect to those historical periods." ●

## PCAOB

### PCAOB Issues Second Progress Report on Interim Inspection Program for Broker-Dealers

**Affects:** Auditors of broker-dealers.

**Summary:** On August 19, 2013, the PCAOB issued its [second progress report](#) on its interim inspection program for broker-dealers, which addresses "audit deficiencies and independence findings" the PCAOB discovered in audit firm inspections it conducted between March 2012 and December 2012. The primary areas in which the Board noted deficiencies were audit procedures associated with (1) calculations related to the customer reserve and net capital requirements and (2) "financial statement areas, including procedures regarding tests of revenue, related parties, and the risk of material misstatement due to fraud."

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

### PCAOB Proposes Changes to the Auditor's Reporting Model

**Affects:** Auditors of public entities.

**Summary:** On August 13, 2013, the PCAOB issued [proposed auditing standards](#) on the auditor's reporting model and on the auditor's responsibilities for other information included in annual reports filed with the SEC. The proposed changes are intended to significantly enhance the auditor's reporting model, retaining the current "pass/fail" approach but increasing the amount of other information included in auditors' reports. One of the most significant proposed changes is a new required section in the auditor's report describing "Critical Audit Matters." In this new section, the auditor would communicate the critical audit matters, describe the considerations that led to each matter being considered a critical audit matter, and (if applicable) refer to the related financial statement accounts and disclosures in the financial statements.

**Next Steps:** Comments on the proposed auditing standards are due by December 11, 2013.

**Other Resources:** For more information, see Deloitte's September 5, 2013, [Heads Up](#) as well as the [press release](#) on the PCAOB's Web site. ●

## International

### IAASB Proposes ISAs to Improve Financial Reporting

**Affects:** Auditors that perform audits under ISAs.

**Summary:** On July 25, 2013, the IAASB issued an [ED](#) proposing a number of new and proposed ISAs. The goal of the proposals is to increase the relevance of the auditor's report "in the wake of the global financial crisis." To make audit reports more informative, auditors of financial statements of listed entities would be required to "communicate in their report those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements." The IAASB is also proposing that auditors include "specific statements about going concern in their reports, to make an explicit statement about the auditor's independence from the audited entity and, for listed entities, to disclose the name of the engagement partner in the auditor's report." The proposed ISAs are as follows:

- [ISA 706 \(Revised\), \*Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report.\*](#)
- [ISA 705 \(Revised\), \*Modifications to the Opinion in the Independent Auditor's Report.\*](#)
- [ISA 701, \*Communicating Key Audit Matters in the Independent Auditor's Report.\*](#)

- [ISA 700 \(Revised\), \*Forming an Opinion and Reporting on Financial Statements\*](#).
- [ISA 570 \(Revised\), \*Going Concern\*](#).
- [ISA 260 \(Revised\), \*Communication With Those Charged With Governance\*](#).

The ED would also make a few more minor conforming amendments to existing ISAs.

**Next Steps:** Comments on the ED are due by November 22, 2013.

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

## IIA Issues Practice Guide on Effective Use of Maturity Models

**Affects:** All entities.

**Summary:** On July 3, 2013, the IIA issued a [practice guide](#) on the benefits of using maturity models, which are tools that entities use to "establish a systematic basis of measurement for use in describing the 'as is' state of a process within an organization and describe process components that are believed to lead to better outputs and better outcomes."

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

## IAESB Requests Comments on 2014–2016 Strategy and Work Plan

**Affects:** IFAC member bodies.

**Summary:** On July 3, 2013, the IAESB issued an [ED](#) that requests comments on its strategy and work plan for 2014–2016, which address "projects and activities aimed at providing adoption and implementation guidance on the revised IESs to interested stakeholders in professional accounting education."

**Next Steps:** Comments on the ED are due by October 4, 2013.

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

# Governmental Accounting and Auditing Developments

## FASAB

### FASAB Issues Implementation Guidance on Property, Plant, and Equipment\*

**Affects:** Entities applying federal financial accounting standards.

**Summary:** On September 26, 2013, the FASAB issued a [technical release](#) that provides implementation guidance on general property, plant, and equipment (G-PP&E). Topics covered include:

- "Recognition requirements for programmatic, managerial, administrative, and other elements of program costs incurred during the G-PP&E lifecycle."
- "The concept of a cost accumulation and allocation decision framework."
- "Management's role in applying the cost accumulation, assignment, and allocation decision framework."

The technical release became effective upon issuance.

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

## FASAB Issues Statement Deferring Transition to Basic Information for Long-Term Projections

**Affects:** Entities applying federal financial accounting standards.

**Summary:** On July 8, 2013, the FASAB issued [Statement 45](#), which provides a one-year deferral for the transition of the statement presenting long-term fiscal projections for the U.S. government and related disclosures from required supplementary information (RSI) to basic information. Under generally accepted government auditing standards, basic information and RSI are subject to different audit procedures and reporting requirements. In the accompanying press release, the FASAB chairman explained that “comprehensive projections provide essential information to users of the federal government’s financial statements. However, the audit community is considering the need to revise existing audit guidance regarding projections. This deferral will allow time for them to do so.”

Statement 45 became effective upon issuance.

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

## GAO

### GAO Proposes Revisions to Federal Government’s Internal Control Standards\*

**Affects:** Federal agencies.

**Summary:** On September 3, 2013, the GAO issued an [ED](#) that would amend its *Standards for Internal Control in the Federal Government*, often referred to as the “Green Book.” The Green Book standards “provide management criteria for designing, implementing, and operating an internal control system and reinforce management’s accountability for internal control.”

**Next Steps:** Comments on the ED are due by December 2, 2013. ●

## GASB

### FAF Issues Revised Proposal on Scope of GASB’s Standard-Setting Authority

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

**Summary:** On August 20, 2013, the FAF issued for public comment a [revised proposal](#) that would clarify the scope of the GASB’s standard-setting authority and the extent of the FAF’s involvement in the GASB’s development of its guidance. The revised proposal is being issued in response to concerns that the original proposal would have allowed the FAF’s board of trustees to play too great a role in the GASB’s standard-setting process. The primary revision would be to change the role of the FAF from agenda setting to preconsultation. In the words of GASB Chairman David Vaudt, the “revised proposal strikes a balance that should maintain the GASB’s independence while affording the FAF Trustees the appropriate oversight to ensure that the GASB is operating within its scope of authority.”

Comments on the revised proposal were due by September 30, 2013.

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

### FAF Issues Post-Implementation Review Report on GASB Statements 10 and 30

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

**Summary:** On August 20, 2013, the FAF issued a [post-implementation review report](#) on GASB Statements 10 and 30, which “establish accounting and financial reporting standards for risk financing and insurance-related activities of state and local governments, including public risk pools.” The report concludes that the two standards have accomplished their objectives by, for example, improving comparability and transparency while providing more decision-useful information to financial statement users.

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

## International

### IPSASB Issues Preliminary Version of Preface to Conceptual Framework for Public-Sector Entities

**Affects:** Public-sector entities.

**Summary:** On July 31, 2013, the IPSASB issued a preliminary version of a [preface](#) that “identifies areas where departures from private sector approaches to financial reporting are likely to be necessary in order to meet the objectives of financial reporting: the provision of information about the reporting entity that is useful to users of general purpose financial reports for accountability purposes and for decision-making purposes.”

**Next Steps:** The preface is expected to be finalized in 2014 along with the remaining chapters of the framework.

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

### IPSASB Publishes Recommended Practice Guidelines

**Affects:** Public-sector entities.

**Summary:** In July 2013, the IPSASB published the following two sets of recommended practice guidelines (RPGs):

- [RPG 1, Reporting on the Long-Term Sustainability of an Entity's Finances.](#)
- [RPG 2, Financial Statement Discussion and Analysis.](#)

**Other Resources:** For more information about the RPGs, please see the [July 24](#) and [July 26, 2013](#), press releases on IFAC's Web site. ●

## Regulatory and Compliance Developments

### Banking

#### FDIC, OCC, and Federal Reserve Issue Rule Revising Bank Capital Requirements

**Affects:** Banking organizations.

**Summary:** On July 9, 2013, the OCC and Federal Reserve published a [final rule](#) and the FDIC issued an [interim final rule](#) that revise “[the] risk-based and leverage capital requirements for banking organizations.” Among other provisions, the rule “implements a revised definition of regulatory capital, a new common equity tier 1 minimum capital requirement, a higher minimum tier 1 capital requirement, and, for banking organizations subject to the advanced approaches risk-based capital rules, a supplementary leverage ratio that incorporates a broader set of exposures in the denominator.”

**Next Steps:** The phase-in period for smaller, less complex banking organizations will begin in January 2015, while the phase-in period for larger institutions will begin in January 2014. ●

### SEC

#### SEC Issues Final Rule Adopting Revisions to EDGAR Filer Manual\*

**Affects:** SEC registrants.

**Summary:** On September 25, 2013, the SEC issued a [final rule](#) adopting revisions to its EDGAR Filer Manual. The primary purpose of the revisions is to “support updates to Form D and to submission form types 13F-HR and 13F-HR/A.”

The final rule became effective on October 2, 2013. ●

## SEC Issues Final Rule on Registration of Municipal Advisers\*

**Affects:** Municipal advisers.

**Summary:** On September 20, 2013, the SEC issued a [final rule](#) in response to a provision (in Section IX) of the Dodd-Frank Wall Street Reform and Consumer Protection Act under which municipal advisers are required to register with the SEC. The final rule creates a “permanent registration regime” to replace the interim temporary requirements that the Commission had previously imposed on municipal advisers under Exchange Rule 15Ba2-6T and Form MA-T. However, to give municipal advisers more time to comply with the permanent requirements, the SEC is extending the expiration date for the temporary regime to December 31, 2014. (The official compliance dates for individual municipal advisers will depend on the registration number each firm received when it registered under Rule 15Ba2-6T and are listed in Section V of the final rule.)

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

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

## SEC Issues Proposed Rule on Pay Ratio Disclosure\*

**Affects:** SEC registrants.

**Summary:** On September 18, 2013, the SEC issued a [proposed rule](#) to implement Section 953(b) of the Dodd-Frank Act. Under the proposal, a registrant subject to the filing requirements of Regulation S-K, Rule 4-02, would need to disclose (1) the median of the annual total compensation of its employees and (2) the ratio of this median to its CEO’s annual pay. Emerging growth companies,<sup>4</sup> smaller reporting companies,<sup>5</sup> and foreign private issuers<sup>6</sup> would be exempt from the requirements.

**Next Steps:** Comments on the proposed rule are due by December 2, 2013.

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

## SEC Gives Update at AICPA National Conference on Banks and Savings Institutions\*

**Affects:** SEC registrants.

**Summary:** On September 18, 2013, the SEC’s Division of Corporation Finance (the “Division”) and Office of the Chief Accountant (OCA) presented a speech at the AICPA National Conference on Banks and Savings Institutions. Topics covered included (1) the Division’s and OCA’s structure and responsibilities and (2) areas of registrants’ disclosures that the SEC has frequently commented on, including the following:

- Loans and allowances.
- Fair value.
- Deferred tax assets.
- Interest rate risk.
- Other real estate owned.
- Troubled debt restructurings.
- Goodwill impairment testing.

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

<sup>4</sup> As defined in Section 3(a) of the Securities Exchange Act of 1934.

<sup>5</sup> As defined in Regulation S-K, Item 10(f)(1).

<sup>6</sup> Foreign private issuers include those that file annual reports and registration statements on Forms 20-F and 40-F.

## SEC and Other Government Organizations Issue Proposed Rule on Credit Risk Retention

**Affects:** Securitizers of asset-backed securities.

**Summary:** On August 28, 2013, the SEC, OCC, Federal Reserve, FDIC, FHFA, and HUD jointly issued a [proposed rule](#) to implement the credit risk retention requirements established by Section 15G of the Securities Exchange Act of 1934 in accordance with Section 951 of the Dodd-Frank Act. Under the proposed rule, a securitizer of asset-backed securities would be required to “retain not less than 5 percent of the credit risk of the assets collateralizing the asset-backed securities.” However, there would be a number of exceptions to this requirement, “including an exemption for asset-backed securities that are collateralized exclusively by residential mortgages that qualify as ‘qualified residential mortgages,’ as such term is defined by the agencies by rule.”

**Next Steps:** Comments on the proposed rule are due by October 30, 2013.

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

## SEC Issues Final Rule Amending Broker-Dealer Financial Responsibility Rules

**Affects:** Broker-dealers.

**Summary:** On July 30, 2013, the SEC issued a [final rule](#) that would amend the financial responsibility requirements for broker-dealers. Specifically, the amendments would address the “net capital, customer protection, books and records, and notification rules for broker-dealers promulgated under the Securities Exchange Act of 1934.”

**Next Steps:** The final rule will become effective on October 21, 2013.

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

## SEC Issues Final Rule on Broker-Dealer Reports

**Affects:** Broker-dealers.

**Summary:** On July 30, 2013, the SEC issued a [final rule](#) that amends certain requirements for broker-dealers. The amendments include the following:

- Audits of broker-dealers must be conducted in accordance with PCAOB standards, since the Dodd-Frank Act has authorized the PCAOB to oversee such audits.
- Broker-dealers must “file with the Commission annual reports consisting of a financial report and either a compliance report or an exemption report that are prepared by the broker-dealer, as well as certain reports that are prepared by an independent public accountant covering the financial report and the compliance report or the exemption report.”
- A “broker-dealer that clears transactions or carries customer accounts [must] allow representatives of the Commission or the broker-dealer’s designated examining authority (‘DEA’) to review the documentation associated with certain reports of the broker-dealer’s independent public accountant and . . . allow the accountant to discuss the findings relating to the reports of the accountant with those representatives when requested in connection with a regulatory examination of the broker-dealer.”
- A broker-dealer is required “to file a new form with its DEA that elicits information about the broker-dealer’s practices with respect to the custody of securities and funds of customers and non-customers.”

**Next Steps:** Broker-dealers must begin to file quarterly reports with information about their custody practices and annual reports with the Securities Investor Protection Corporation by December 31, 2013, while they must file their annual reports with the SEC by June 1, 2014.

**Other Resources:** For more information about the broker-dealer requirements, see Deloitte’s [September 2013 Banking & Securities Spotlight](#) as well as the [press release](#) on the SEC’s Web site. ●

## SEC's Conflict Minerals Rule Upheld by Federal Court

**Affects:** SEC registrants.

**Summary:** On July 24, 2013, the U.S. District Court for the District of Columbia upheld the SEC's [final rule](#) on conflict minerals by rejecting a lawsuit filed by the U.S. Chamber of Commerce, the Business Roundtable, and the National Association of Manufacturers. The plaintiffs, which challenged the final rule on the basis that (1) it is too costly to implement and (2) its required disclosures violate a registrant's First Amendment rights, may appeal the court's ruling.

As a result of the court's decision, the final rule continues to be effective on a calendar-year basis beginning this year. A registrant that meets the final rule's reporting requirements must file a Form SD with the SEC by May 31, 2014.

**Other Resources:** For more information about the SEC's final rule, see Deloitte's September 11, 2012, [Heads Up](#). ●

## SEC Updates Financial Reporting Manual

**Affects:** SEC registrants.

**Summary:** On July 16, 2013, the SEC's Division of Corporation Finance published a revised version of its [Financial Reporting Manual](#) (FRM), which contains updates made as of March 31, 2013. The revisions mainly address the acquisition of real estate operations under Regulation S-X, Rule 3-14, including financial statement requirements and considerations related to measuring significance.

In addition, clarifications were made to sections on (1) determining the significance of a registrant's equity method investments under Regulation S-X, Rule 4-08(g), and (2) non-GAAP financial measures.

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

## SEC Issues Rule Eliminating Prohibition Against General Solicitation and Advertising of Certain Offerings

**Affects:** SEC registrants.

**Summary:** On July 10, 2013, the SEC released a [final rule](#) implementing the requirements of Section 201(a) of the JOBS Act to amend Rule 506, Rule 144A, and Form D under the Securities Act of 1933 (the "Securities Act").

The final rule updates Rule 506 of Securities Act Regulation D to allow entities to use general solicitation and advertisements to market their securities provided that they have (1) confirmed or have reason to believe that purchasers of the securities are accredited investors (as defined in Regulation D, Rule 501) and (2) taken reasonable steps to confirm that the investors are accredited investors. An SEC [fact sheet](#) gives examples of steps entities can consider taking to confirm that investors are accredited.

The final rule also amends Rule 144A to allow an issuer to offer securities to investors that are other than qualified institutional buyers (QIBs) if the issuer reasonably believes that such investors are QIBs. Further, the final rule adds to Form D a box that issuers should check to indicate that they are relying on the provisions that allow general solicitation and advertising in a Rule 506 offering.

The final rule became effective on September 23, 2013.

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

## International

### IOSCO and IFRS Foundation Release Statement of Protocols for Cooperating on IFRS Development\*

**Affects:** Entities reporting under IFRSs.

**Summary:** On September 16, 2013, IOSCO and the IFRS Foundation jointly released a [statement of protocols](#) affirming their commitment to the development and implementation of a single set of high-quality global accounting standards.

The statement of protocols indicates that the two organizations plan to work together on the following:

- *Global use of IFRSs* — IOSCO and the IFRS Foundation will periodically share information to maintain current and accurate data on the progress of global IFRS adoption.
- *How securities regulators will be affected by IASB standards* — The IFRS Foundation will identify and explain implementation aspects of the IASB's new or significantly amended standards that are of interest to securities regulators.
- *Discussion of IFRS enforcement matters* — IOSCO will organize an annual IFRS enforcers' discussion session for its members to discuss issues, standards, and other IFRS enforcement matters with IASB members or staff.
- *Providing critical and timely input* — The IFRS Foundation will solicit IOSCO members' opinions on any time-sensitive IFRS implementation matters on which urgent input from securities regulators is needed.

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

## IVSC Publishes Discussion Paper on Developing International Professional Valuation Standards

**Affects:** Professional valuers.

**Summary:** On August 27, 2013, the IVSC issued a [DP](#) that seeks constituents' views on "the need for the IVSC to develop and issue, in the public interest, international benchmark standards on the learning and development required to develop and maintain competence over the career of a professional valuer."

**Next Steps:** Comments on the DP are due by October 4, 2013. ●

## IVSC Issues Proposed Guidance on the Valuation of Equity Derivatives

**Affects:** All entities.

**Summary:** On July 1, 2013, the IVSC issued an [ED](#) of a technical information paper that outlines "the accepted principles of best practice for valuing equity [derivative contracts]." The objective of the ED is to decrease diversity in practice, which the IVSC believes has led to a lack of trust in such valuations.

Comments on the ED were due by September 30, 2013.

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

## Appendix A: Significant Adoption Dates and Deadlines

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

FASB/EITF	Affects	Status
<b>Significant Adoption Dates</b>		
ASU 2013-11, <i>Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists</i> — a consensus of the FASB Emerging Issues Task Force (issued July 18, 2013)	Entities with unrecognized tax benefits for which a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists as of the reporting date.	Effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. For nonpublic entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2014. Retrospective application is permitted.
ASU 2013-10, <i>Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes</i> — a consensus of the FASB Emerging Issues Task Force (issued July 17, 2013)	Entities that elect to apply hedge accounting of the benchmark interest rate under ASC 815.	Effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013.
ASU 2013-09, <i>Deferral of the Effective Date of Certain Disclosures for Nonpublic Employee Benefit Plans in Update No. 2011-04</i> (issued July 8, 2013)	Entities subject to certain required disclosures in ASU 2011-04 (ASC 820) related to quantitative information about the significant unobservable inputs used in Level 3 fair value measurements for investments held by a nonpublic employee benefit plan in its plan sponsor's own nonpublic-entity equity securities, including equity securities of its plan sponsor's nonpublic affiliated entities. The amendments in ASU 2013-09 do not defer the effective date for certain quantitative disclosures about other nonpublic-entity equity securities held in the nonpublic employee benefit plan or any qualitative disclosures.	Effective July 8, 2013, for financial statements that have not been issued.
ASU 2013-08, <i>Financial Services — Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements</i> (issued June 7, 2013)	Entities currently within the scope of ASC 946 that will no longer be investment companies as a result of the amendments in ASU 2013-08. Entities that adopted SOP 07-1 before the FASB's indefinite deferral of that SOP also must assess whether they continue to be within the scope of ASC 946 by determining whether they are investment companies as a result of the amendments to the investment-company assessment in ASU 2013-08. Also, entities that are currently not within the scope of ASC 946 may be investment companies as a result of the amendments in ASU 2013-08.	Effective for an entity's interim and annual reporting periods in fiscal years that begin after December 15, 2013. Early adoption is prohibited.
ASU 2013-07, <i>Liquidation Basis of Accounting</i> (issued April 22, 2013)	Entities that issue financial statements that are presented in conformity with U.S. GAAP except investment companies that are regulated under the Investment Company Act of 1940.	Effective for annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. Entities should apply the requirements prospectively from the day on which liquidation becomes imminent. Early adoption is permitted.
ASU 2013-06, <i>Services Received From Personnel of an Affiliate</i> — a consensus of the FASB Emerging Issues Task Force (issued April 19, 2013)	Not-for-profit entities, including not-for-profit, business-oriented health care entities, that receive services from personnel of an affiliate that directly benefit the recipient not-for-profit entity and for which the affiliate does not charge the recipient not-for-profit entity.	Effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient not-for-profit entity may apply the amendments by using a modified retrospective approach under which all prior periods presented on the adoption date should be adjusted but no adjustment should be made to the beginning balance of net assets for the earliest period presented. Early adoption is permitted.

<p>ASU 2013-05, <i>Parent’s Accounting for the Cumulative Translation Adjustment Upon Derecognition of Certain Subsidiaries or Groups of Assets Within a Foreign Entity or of an Investment in a Foreign Entity</i>—a consensus of the FASB Emerging Issues Task Force (issued March 4, 2013)</p>	<p>Entities with foreign subsidiaries or foreign investments.</p>	<p>For public entities, the ASU is effective for fiscal years (and interim periods within those fiscal years) beginning after December 15, 2013. For nonpublic entities, the ASU is effective for the first annual period beginning on or after December 15, 2014, and interim and annual periods thereafter. Early adoption will be permitted for both public and nonpublic entities. The ASU should be applied prospectively from the beginning of the fiscal year of adoption.</p>
<p>ASU 2013-04, <i>Obligations Resulting From Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date</i>—a consensus of the FASB Emerging Issues Task Force (issued February 28, 2013)</p>	<p>Entities that are jointly and severally liable with other entities.</p>	<p>For public entities, the ASU is effective for fiscal years beginning after December 15, 2013 (and interim reporting periods within those years). For nonpublic entities, the ASU is effective for the first annual period ending on or after December 15, 2014, and interim and annual periods thereafter. The ASU should be applied retrospectively to obligations with joint-and-several liabilities existing at the beginning of an entity’s fiscal year of adoption. Entities that elect to use hindsight in measuring their obligations during the comparative periods must disclose that fact. Early adoption is permitted.</p>
<p>ASU 2013-03, <i>Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities</i> (issued February 7, 2013)</p>	<p>Nonpublic entities that have total assets of \$100 million or more or that have one or more derivative instruments.</p>	<p>Effective upon issuance.</p>
<p>ASU 2013-02, <i>Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income</i> (issued February 5, 2013)</p>	<p>Entities that issue financial statements in accordance with U.S. GAAP and that report items of OCI. Public companies must comply with these amendments for all reporting periods presented, including interim periods, while nonpublic entities must comply with the amendments for annual reporting periods. For interim reporting periods, nonpublic entities are not required to report the effects of reclassifications on net income but must report information about the amounts reclassified out of AOCI by component for each reporting period. Not-for-profit entities subject to the requirements of ASC 958-205 are outside the scope of these amendments.</p>	<p>For public entities, the amendments are effective prospectively for reporting periods beginning after December 15, 2012. For nonpublic entities, the amendments are effective prospectively for reporting periods beginning after December 15, 2013. Early adoption is permitted.</p>
<p>ASU 2013-01, <i>Clarifying the Scope of Disclosures About Offsetting Assets and Liabilities</i> (issued January 31, 2013)</p>	<p>All entities.</p>	<p>Effective for fiscal years beginning on or after January 1, 2013, and interim periods within those years. The disclosures required by the ASU must be provided retrospectively for all comparative periods presented.</p>
<p>ASU 2012-07, <i>Accounting for Fair Value Information That Arises After the Measurement Date and Its Inclusion in the Impairment Analysis of Unamortized Film Costs</i>—a consensus of the FASB Emerging Issues Task Force (issued October 24, 2012)</p>	<p>Entities that perform impairment assessments of unamortized film costs.</p>	<p>For SEC filers, effective for impairment assessments performed on or after December 15, 2012. For all other entities, effective for impairment assessments performed on or after December 15, 2013. The amendments resulting from this Issue should be applied prospectively. Early application is permitted, including for impairment assessments performed as of a date before October 24, 2012, if, for SEC filers, the entity’s financial statements for the most recent annual or interim period have not yet been issued or, for all other entities, have not yet been made available for issuance.</p>
<p>ASU 2012-06, <i>Subsequent Accounting for an Indemnification Asset Recognized at the Acquisition Date as a Result of a Government-Assisted Acquisition of a Financial Institution</i>—a consensus of the FASB Emerging Issues Task Force (issued October 23, 2012)</p>	<p>Entities that recognize an indemnification asset as a result of a government-assisted acquisition of a financial institution.</p>	<p>Effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2012. Early adoption is permitted. Entities should apply the ASU prospectively to any new indemnification assets acquired after the adoption date and to indemnification assets existing as of the adoption date that arise from a government-assisted acquisition of a financial institution.</p>

<p>ASU 2012-05, <i>Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows</i> — a consensus of the FASB Emerging Issues Task Force (issued October 22, 2012)</p>	<p>Entities within the scope of ASC 958 that accept donated financial assets.</p>	<p>Effective prospectively for fiscal years, and interim periods within those years, beginning after June 15, 2013. Retrospective application to all prior periods presented upon the date of adoption is permitted. Early adoption from the beginning of the fiscal year of adoption is permitted. For fiscal years beginning before October 22, 2012, early adoption is permitted only if a not-for-profit entity's financial statements for those fiscal years and interim periods within those years have not yet been made available for issuance.</p>
<p>ASU 2012-04, <i>Technical Corrections and Improvements</i> (issued October 1, 2012)</p>	<p>All entities.</p>	<p>Effective upon issuance, except for amendments that are subject to transition guidance, which will be effective for fiscal periods beginning after December 15, 2012, for public entities and fiscal periods beginning after December 15, 2013, for nonpublic entities.</p>
<p>ASU 2012-03, <i>Technical Amendments and Corrections to SEC Sections</i> (issued August 27, 2012)</p>	<p>All entities.</p>	<p>Effective upon issuance.</p>
<p>ASU 2012-02, <i>Testing Indefinite-Lived Intangible Assets for Impairment</i> (issued July 27, 2012)</p>	<p>Entities, both public and nonpublic, that have indefinite-lived intangible assets, other than goodwill, reported in their financial statements.</p>	<p>Effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012, if a public entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance.</p>
<p>ASU 2012-01, <i>Continuing Care Retirement Communities — Refundable Advance Fees</i> (issued July 24, 2012)</p>	<p>Continuing care retirement communities that have resident contracts that provide for a payment of a refundable advance fee upon reoccupancy of that unit by a subsequent resident.</p>	<p><i>Public entities</i> — Effective for fiscal periods beginning after December 15, 2012. <i>Nonpublic entities</i> — Effective for fiscal periods beginning after December 15, 2013. For both public and nonpublic entities, early adoption is permitted. The amendments should be applied retrospectively by recording a cumulative-effect adjustment to opening retained earnings (or unrestricted net assets) as of the beginning of the earliest period presented.</p>
<p>ASU 2011-12, <i>Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05</i> (issued December 23, 2011)</p>	<p>Entities that report items of OCI.</p>	<p><i>Public entities</i> — Effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. <i>Nonpublic entities</i> — Effective for fiscal years ending after December 15, 2012, and interim and annual periods thereafter. For both public and nonpublic entities, early adoption is permitted and transition disclosures are not required. In addition, the ASU must be applied retrospectively to all periods presented.</p>
<p>ASU 2011-11, <i>Disclosures About Offsetting Assets and Liabilities</i> (issued December 16, 2011)</p>	<p>Entities that have financial instruments and derivatives accounted for in accordance with ASC 815, including bifurcated embedded derivatives, repurchase agreements, and reverse repurchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with ASC 210-20-45 or ASC 815-10-45 or subject to an enforceable master netting arrangement or similar agreement.</p>	<p>An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented.</p>
<p>ASU 2011-10, <i>Derecognition of in Substance Real Estate — a Scope Clarification</i> — a consensus of the FASB Emerging Issues Task Force (issued December 14, 2011)</p>	<p>Entities that cease to have a controlling financial interest (as described in ASC 810-10) in a subsidiary that is in-substance real estate as a result of default on the subsidiary's nonrecourse debt.</p>	<p><i>Public entities</i> — Effective for fiscal years, and interim periods within those years, beginning on or after June 15, 2012. <i>Nonpublic entities</i> — Effective for fiscal years ending after December 15, 2013, and interim and annual periods thereafter. Early adoption is permitted.</p>

<p>ASU 2011-09, <i>Disclosures About an Employer's Participation in a Multiemployer Plan</i> (issued September 21, 2011)</p>	<p>Nongovernmental reporting entities that participate in multiemployer plans. While the majority of the amendments in this ASU apply only to multiemployer pension plans, there also are amendments that require changes in disclosures for multiemployer plans that provide postretirement benefits other than pensions as defined in the Master Glossary of the <i>FASB Accounting Standards Codification</i>.</p>	<p><i>Public entities</i> — Effective for annual periods for fiscal years ending after December 15, 2011, with early adoption permitted.</p> <p><i>Nonpublic entities</i> — Effective for annual periods for fiscal years ending after December 15, 2012, with early adoption permitted. The amendments should be applied retrospectively for all prior periods presented.</p>
<p>ASU 2011-07, <i>Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities</i> — a consensus of the FASB Emerging Issues Task Force (issued July 25, 2011)</p>	<p>Health care organizations.</p>	<p><i>Public entities</i> — Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011, with early adoption permitted.</p> <p><i>Nonpublic entities</i> — Effective for the first annual period ending after December 15, 2012, and interim and annual periods thereafter, with early adoption permitted. The amendments to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented. The disclosures required by this ASU should be provided for the period of adoption and subsequent reporting periods.</p>
<p>ASU 2011-06, <i>Fees Paid to the Federal Government by Health Insurers</i> — a consensus of the FASB Emerging Issues Task Force (issued July 21, 2011)</p>	<p>Reporting entities that are subject to the fee imposed on health insurers mandated by the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act.</p>	<p>Effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective.</p>
<p>ASU 2011-05, <i>Presentation of Comprehensive Income</i> (issued June 16, 2011)</p>	<p>Entities that report items of OCI.</p>	<p>Amendments made by ASU 2011-05 to ASC 220-10-45-17 and 45-18, ASC 220-10-55-7 and 55-8, ASC 220-10-55-9, and ASC 220-10-55-18 are amended by ASU 2011-12.</p> <p><i>Public entities</i> — Effective for fiscal years, and interim periods within those years, beginning after December 15, 2011.</p> <p><i>Nonpublic entities</i> — Effective for fiscal years ending after December 15, 2012, and interim and annual periods thereafter.</p> <p>For both public and nonpublic entities, early adoption is permitted and transition disclosures are not required. In addition, the ASU must be applied retrospectively to all periods presented.</p>
<p>ASU 2011-02, <i>A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring</i> (issued April 5, 2011)</p>	<p>All entities.</p>	<p><i>Public entities</i> — For troubled debt restructuring identification and disclosure purposes, the guidance is effective for the first interim or annual period beginning on or after June 15, 2011, and must be applied retrospectively to modifications occurring at or after the beginning of the annual period of adoption.</p> <p><i>Nonpublic entities</i> — Effective for annual periods ending on or after December 15, 2012, including interim periods within those annual periods. Early adoption is permitted for any interim period in the fiscal year of adoption; however, nonpublic entities that elect early adoption should apply the guidance retrospectively to modifications occurring at or after the beginning of the annual period of adoption.</p>

**Projects in Request-for-Comment Stage**

<p>Proposed ASU, <i>Applying Variable Interest Entity Guidance to Common Control Leasing Arrangements</i> — a proposal of the Private Company Council (issued August 22, 2013)</p>	<p>All entities other than public business entities, not-for-profit entities, or employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting.</p>	<p>Comments due October 14, 2013.</p>
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Proposed ASU, <i>Measuring the Financial Liabilities of a Consolidated Collateralized Financing Entity</i> — a consensus of the FASB Emerging Issues Task Force (issued July 19, 2013)	All entities.	Comments due October 17, 2013 (comment deadline extended).
Proposed ASU, <i>Insurance Contracts</i> (issued June 27, 2013)	Entities that issue insurance contracts, which are defined as contracts “under which one party (the issuing entity) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or its designated beneficiary if a specified uncertain future event . . . adversely affects the policyholder.”	Comments due October 25, 2013.

AICPA	Affects	Status
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**Significant Adoption Dates**

SOP 13-2, <i>Performing Agreed-Upon Procedures Engagements That Address the Completeness, Mapping, Consistency, or Structure of XBRL-Formatted Information</i> (issued September 10, 2013)	Entities performing agreed-upon procedures for issuers submitting exhibits to the SEC containing XBRL files.	Effective for any XBRL agreed-upon procedures engagements accepted after September 10, 2013.
SOP 13-1, <i>Attest Engagements on Greenhouse Gas Emissions Information</i> (issued May 2, 2013)	Auditors performing an examination or review of a greenhouse gases emissions statement containing either a schedule with the subject matter or an assertion related to information about an entity’s greenhouse gas emissions.	Effective for reports on greenhouse gas emissions information issued on or after September 15, 2013. Early adoption is permitted.
SAS 127, <i>Omnibus Statement on Auditing Standards — 2013</i> (issued January 7, 2013)	Auditors.	Effective for audits of financial statements for periods ending on or after December 15, 2012.
SAS 126, <i>The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern</i> (Redrafted) (issued June 29, 2012)	Auditors.	Effective for audits of financial statements for periods ending on or after December 15, 2012.
SAS 125, <i>Alert That Restricts the Use of the Auditor’s Written Communication</i> (issued December 2011)	Auditors.	Effective for the auditor’s written communications related to audits of financial statements for periods ending on or after December 15, 2012. For all other engagements conducted in accordance with GAAS, effective for the auditor’s written communications issued on or after December 15, 2012.
SAS 124, <i>Financial Statements Prepared in Accordance With a Financial Reporting Framework Generally Accepted in Another Country</i> (issued October 2011)	Auditors.	Effective for audits of financial statements for periods ending on or after December 15, 2012.
SAS 123, <i>Omnibus Statement on Auditing Standards — 2011</i> (issued October 2011)	Auditors.	Effective for audits of financial statements for periods ending on or after December 15, 2012.
SAS 122, <i>Statements on Auditing Standards: Clarification and Recodification</i> (issued October 2011)	Auditors.	Effective for audits of financial statements for periods ending on or after December 15, 2012.

**Project in Request-for-Comment Stage**

Proposed SSAE, <i>Attestation Standards: Clarification and Recodification</i> (issued July 25, 2013)	Auditors.	Comments due October 24, 2013.
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SEC	Affects	Status
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**Significant Adoption Dates**

Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-9457) (issued September 25, 2013)	SEC registrants.	Effective October 2, 2013.
Final Rule, <i>Extension of Temporary Registration of Municipal Advisors</i> (34-70468) (issued September 23, 2013)	SEC registrants.	Effective September 30, 2013. The expiration of the effective period of Interim Final Temporary Rule 15BA2-6T and Form MA-T is delayed from September 30, 2013, to December 31, 2014.
Final Rule, <i>Registration of Municipal Advisors</i> (34-70462) (issued September 20, 2013)	SEC registrants.	Effective upon the date of publication in the <i>Federal Register</i> .

Final Rule, <i>Broker-Dealer Reports</i> (34-70073) (issued July 30, 2013)	Broker-dealers.	Effective June 1, 2014, except the amendment to § 240.17a-5(e)(5), which is effective October 21, 2013, and the amendments to § 240.17a-5(a) and (d)(6) and § 249.639, which are effective December 31, 2013.
Final Rule, <i>Financial Responsibility Rules for Broker-Dealers</i> (34-70072) (issued July 30, 2013)	SEC registrants.	Effective October 21, 2013.
Final Rule, <i>Delegation of Authority to Director of Division of Enforcement</i> (34-70049) (issued July 26, 2013)	SEC registrants.	Effective August 1, 2013.
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-9433) (issued July 25, 2013)	SEC registrants.	Effective July 31, 2013.
Final Rule, <i>Rescission of Supervised Investment Bank Holding Company Rules</i> (34-69979) (issued July 12, 2013)	SEC registrants.	Effective July 18, 2013.
Final Rule, <i>Retail Foreign Exchange Transactions</i> (34-69964) (issued July 11, 2013)	SEC registrants.	Effective July 16, 2013.
Final Rule, <i>Eliminating the Prohibition Against General Solicitation and General Advertising in Rule 506 and Rule 144A Offerings</i> (33-9415) (issued July 10, 2013)	SEC registrants.	Effective September 23, 2013.
Final Rule, <i>Disqualification of Felons and Other "Bad Actors" From Rule 506 Offerings</i> (33-9414) (issued July 10, 2013)	SEC registrants.	Effective September 23, 2013.
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-9403) (issued May 14, 2013)	SEC registrants.	Effective May 21, 2013.
Final Rule, <i>Identity Theft Red Flags Rules</i> (34-69359) (issued April 10, 2013)	SEC registrants.	Effective May 20, 2013; compliance date is November 20, 2013.
Final Rule, <i>Amendment to Rule Filing Requirements for Dually-Registered Clearing Agencies</i> (34-69284) (issued April 3, 2013)	SEC registrants.	Effective June 10, 2013.
Final Rule, <i>Adjustments to Civil Monetary Penalty Amounts</i> (33-9387) (issued February 27, 2013)	SEC registrants.	Effective March 5, 2013.
Final Rule, <i>Lost Securityholders and Unresponsive Payees</i> (34-68668) (issued January 16, 2013)	SEC registrants.	Effective March 25, 2013; compliance date is January 23, 2014.
Final Rule, <i>Extension of Dates for Certain Requirements of Rule 19b-4(n)(1) and Rule 19b-4(o)(2) and Amendment of Form 19b-4</i> (34-68357) (issued December 5, 2012)	SEC registrants.	Effective December 10, 2012.
Final Rule, <i>Clearing Agency Standards</i> (34-68080) (issued October 22, 2012)	SEC registrants.	Effective January 2, 2013.
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-9364) (issued October 4, 2012)	SEC registrants.	Effective October 15, 2012.
Final Rule, <i>Disclosure of Payments by Resource Extraction Issuers</i> (34-67717) (issued August 22, 2012)	SEC registrants.	Effective November 13, 2012.
Final Rule, <i>Conflict Minerals</i> (34-67716) (issued August 22, 2012)	SEC registrants.	Effective November 13, 2012.
Final Rule, <i>Further Definition of "Swap," "Security-Based Swap," and "Security-Based Swap Agreement"; Mixed Swaps; Security-Based Swap Agreement Recordkeeping</i> (33-9338) (issued July 18, 2012)	SEC registrants.	Effective October 12, 2012.
Final Rule, <i>Consolidated Audit Trail</i> (34-67457) (issued July 18, 2012)	SEC registrants.	Effective October 1, 2012.

Final Rule, <i>Process for Submissions for Review of Security-Based Swaps for Mandatory Clearing and Notice Filing Requirements for Clearing Agencies; Technical Amendments to Rule 19b-4 and Form 19b-4 Applicable to All Self-Regulatory Organizations</i> (34-67286) (issued June 28, 2012)	SEC registrants.	Effective August 13, 2012, for Sections 240.3Ca-1, 240.3Ca-2, and the amendments to 240.19b-4; December 10, 2012, for all amendments to Section 249.819 and Form 19b-4.
Final Rule, <i>Security Ratings</i> (33-9245) (issued July 27, 2011)	SEC registrants.	Effective September 2, 2011, except for certain amendments that will become effective on December 31, 2012.
Final Rule, <i>Temporary Rule Regarding Principal Trades With Certain Advisory Clients</i> (IA-3522) (issued December 21, 2012)	SEC registrants.	Effective December 28, 2012, and the expiration date for 17 CFR 275.206(3)-3T is extended to December 31, 2014.
Final Rule, <i>Temporary Rule Regarding Principal Trades With Certain Advisory Clients</i> (IA-3128) (issued December 28, 2010)	Investment advisers registered with the SEC as broker-dealers to meet the requirements of Section 206(3) of the Investment Advisers Act when they act in a principal capacity in transactions with certain of their advisory clients.	Effective December 30, 2010. Expiration date for 17 CFR 275.206(3)-3T is extended to December 31, 2012.
<b>Projects in Request-for-Comment Stage</b>		
Proposed Rule, <i>Credit Risk Retention</i> (34-70277) (issued August 28, 2013)	Securitizers of asset-backed securities.	Comments due October 30, 2013.
Proposed Rule, <i>Pay Ratio Disclosure</i> (33-9452) (issued September 18, 2013)	SEC registrants.	Comments due December 2, 2013.
<b>PCAOB</b>	<b>Affects</b>	<b>Status</b>
<b>Significant Adoption Dates</b>		
Auditing Standard 16, <i>Communications With Audit Committees</i> (issued August 15, 2012)	Auditors of public entities.	Effective for audits of fiscal years beginning on or after December 15, 2012.
<b>Project in Request-for-Comment Stage</b>		
Proposed Auditing Standards, <i>The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion; the Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report; and Related Amendments to PCAOB Standards</i> (issued August 13, 2013)	Auditors of public entities.	Comments due December 11, 2013.
<b>GASB</b>	<b>Affects</b>	<b>Status</b>
<b>Significant Adoption Dates</b>		
Statement 70, <i>Accounting and Financial Reporting for Nonexchange Financial Guarantees</i> (issued April 22, 2013)	Governmental entities.	Effective for reporting periods beginning after June 15, 2013. Early application is encouraged.
Statement 69, <i>Government Combinations and Disposals of Government Operations</i> (issued January 2013)	Governmental entities.	Effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied prospectively. Early application is encouraged.
Statement 68, <i>Accounting and Financial Reporting for Pensions</i> — an amendment of GASB Statement No. 27 (issued June 2012)	Governmental entities.	Effective for financial statements for fiscal years beginning after June 15, 2014. Early application is encouraged.
Statement 67, <i>Financial Reporting for Pension Plans</i> — an amendment of GASB Statement No. 25 (issued June 2012)	Governmental entities.	Effective for financial statements for fiscal years beginning after June 15, 2013. Early application is encouraged.
Statement 66, <i>Technical Corrections — 2012</i> — an amendment of GASB Statements No. 10 and No. 62 (issued March 2012)	Governmental entities.	Effective for financial statement periods beginning after December 15, 2012. Early application is encouraged.
Statement 65, <i>Items Previously Reported as Assets and Liabilities</i> (issued March 2012)	Governmental entities.	Effective for financial statement periods beginning after December 15, 2012. Early application is encouraged.

FASAB	Affects	Status
<b>Significant Adoption Dates</b>		
Technical Release 15, <i>Implementation Guidance for General Property, Plant, and Equipment Cost Accumulation, Assignment, and Allocation</i> (issued September 26, 2013)	U.S. federal government entities.	Effective upon issuance.
Statement 45, <i>Deferral of the Transition to Basic Information for Long-Term Projections</i> (issued July 8, 2013)	U.S. federal government entities.	Effective upon issuance.
Statement 44, <i>Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use</i> (issued January 3, 2013)	U.S. federal government entities.	Effective for periods beginning after September 30, 2014. Early application is encouraged.
Statement 42, <i>Deferred Maintenance and Repairs — Amending Statements of Federal Financial Accounting Standards 6, 14, 19, and 32</i> (issued April 25, 2012)	U.S. federal government entities.	Effective for periods beginning after September 30, 2014. Early application is encouraged.
Statement 36, <i>Reporting Comprehensive Long-Term Fiscal Projections for the U.S. Government</i> (issued September 28, 2009)	U.S. federal government entities.	This Statement provides for a phased-in implementation, but early implementation is encouraged. All information will be reported as required supplementary information for the first four years of implementation (fiscal years 2010, 2011, 2012, and 2013). Beginning in fiscal year 2014, the required information will be presented as a basic financial statement, disclosures, and required supplementary information as designated within the standard.
Technical Bulletin 2011-1, <i>Accounting for Federal Natural Resources Other Than Oil and Gas</i> (issued July 6, 2011)	U.S. federal government entities.	Effective for periods beginning after September 30, 2013. Early application is encouraged.
<b>IASB/IFRIC</b>		
<b>Significant Adoption Dates</b>		
<i>Novation of Derivatives and Continuation of Hedge Accounting</i> — amendments to IAS 39 (issued June 27, 2013)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted.
<i>Recoverable Amount Disclosures for Non-Financial Assets</i> — amendments to IAS 36 (issued May 29, 2013)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted.
IFRIC Interpretation 21, <i>Levies</i> (issued May 20, 2013)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted.
<i>Investment Entities</i> — amendments to IFRS 10, IFRS 12 and IAS 27 (issued October 31, 2012)	Entities reporting under IFRSs.	Effective for reporting periods beginning on or after January 1, 2014. Early application is permitted.
<i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i> — amendments to IFRS 10, IFRS 11 and IFRS 12 (issued June 28, 2012)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted.
<i>Annual Improvements to IFRSs: 2009–2011 Cycle</i> (issued May 17, 2012)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted.
<i>Government Loans</i> — amendments to IFRS 1 (issued March 13, 2012)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted.
<i>Offsetting Financial Assets and Financial Liabilities</i> — amendments to IAS 32 (issued December 16, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2014. An entity must apply the amendments retrospectively. Early application is permitted.
<i>Disclosures — Offsetting Financial Assets and Financial Liabilities</i> — amendments to IFRS 7 (issued December 16, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013, and interim periods within those annual periods. An entity must provide the disclosures required by the amendments retrospectively.

<i>Mandatory Effective Date and Transition Disclosures</i> — amendments to IFRS 9 and IFRS 7 (issued December 16, 2011)	Entities reporting under IFRSs.	Amended the effective date of IFRS 9 (2009) and IFRS 9 (2010) so that IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2015. Early application is permitted.
IFRIC Interpretation 20, <i>Stripping Costs in the Production Phase of a Surface Mine</i> (issued October 19, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.
IAS 19, <i>Employee Benefits</i> (Revised 2011) (issued June 16, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted.
IAS 28, <i>Investments in Associates and Joint Ventures</i> (Revised 2011) (issued May 12, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted.
IAS 27, <i>Separate Financial Statements</i> (Revised 2011) (issued May 12, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted.
IFRS 13, <i>Fair Value Measurement</i> (issued May 12, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted. The disclosure requirements do not need to be applied to comparative information provided for periods before initial application of this IFRS.
IFRS 12, <i>Disclosure of Interests in Other Entities</i> (issued May 12, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted.
IFRS 11, <i>Joint Arrangements</i> (issued May 12, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted.
IFRS 10, <i>Consolidated Financial Statements</i> (issued May 12, 2011)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after January 1, 2013. Early application is permitted.
IFRS 9, <i>Financial Instruments</i> (issued October 28, 2010)	Entities reporting under IFRSs.	The IASB recently decided to indefinitely defer the mandatory effective date of IFRS 9 until it completes other phases of its financial instruments project (e.g., impairment).
IFRS 9, <i>Financial Instruments</i> (issued November 9, 2009)	Entities reporting under IFRSs.	The IASB recently decided to indefinitely defer the mandatory effective date of IFRS 9 until it completes other phases of its financial instruments project (e.g., impairment).
<b>Projects in Request-for-Comment Stage</b>		
IASB Exposure Draft ED/2013/7, <i>Insurance Contracts</i> (issued June 20, 2013)	Entities reporting under IFRSs.	Comments due October 25, 2013.
IASB Exposure Draft ED/2013/8, <i>Agriculture: Bearer Plants</i> — proposed amendments to IAS 16 and IAS 41 (issued June 26, 2013)	Entities reporting under IFRSs.	Comments due October 28, 2013.
IASB Proposed Interim Release XBRL/2013/1, <i>IFRS Taxonomy 2013— Documentation, Architecture and IFRS Updates</i> (issued September 9, 2013)	Entities reporting under IFRSs.	Comments due November 11, 2013.
IASB Discussion Paper DP/2013/1, <i>A Review of the Conceptual Framework for Financial Reporting</i> (issued July 18, 2013)	Entities reporting under IFRSs.	Comments due January 14, 2014.

## Appendix B: Glossary of Standards

- FASB Accounting Standards Codification Topic 965, *Plan Accounting — Health and Welfare Benefit Plans*
- FASB Accounting Standards Codification Topic 962, *Plan Accounting — Defined Contribution Pension Plans*
- FASB Accounting Standards Codification Topic 960, *Plan Accounting — Defined Benefit Pension Plans*
- FASB Accounting Standards Codification Topic 915, *Development Stage Entities*
- FASB Accounting Standards Codification Topic 810, *Consolidation*
- FASB Accounting Standards Codification Topic 815, *Derivatives and Hedging*
- FASB Accounting Standards Codification Topic 740, *Income Taxes*
- FASB Accounting Standards Update No. 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* — a consensus of the FASB Emerging Issues Tax Force
- FASB Accounting Standards Update No. 2013-10, *Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes* — a consensus of the FASB Emerging Issues Tax Force
- FASB Accounting Standards Update No. 2013-09, *Deferral of the Effective Date of Certain Disclosures for Nonpublic Employee Benefit Plans in Update No. 2011-04*
- FASB Accounting Standards Update No. 2011-09, *Disclosures About an Employer's Participation in a Multiemployer Plan*
- FASB Accounting Standards Update No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*
- FASB Proposed Accounting Standards Update, *Definition of a Public Business Entity: An Amendment to the Master Glossary*
- FASB Proposed Accounting Standards Update, *Principal Versus Agent Analysis*
- FASB Proposed Accounting Standards Update, *Applying Variable Interest Entity Guidance to Common Control Leasing Arrangements* — a proposal of the Private Company Council
- FASB Proposed Accounting Standards Update, *Accounting for Identifiable Intangible Assets in a Business Combination* — a proposal of the Private Company Council
- FASB Proposed Accounting Standards Update, *Accounting for Goodwill* — a proposal of the Private Company Council
- FASB Proposed Accounting Standards Update, *Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps* — a proposal of the Private Company Council
- FASB Proposed Accounting Standards Update, *Reclassification of Collateralized Mortgage Loans Upon a Troubled Debt Restructuring* — a consensus of the FASB Emerging Issues Task Force
- FASB Proposed Accounting Standards Update, *Service Concession Arrangements* — a consensus of the FASB Emerging Issues Task Force
- FASB Proposed Accounting Standards Update, *Measuring the Financial Liabilities of a Consolidated Collateralized Financing Entity* — a consensus of the FASB Emerging Issues Task Force
- FASB Discussion Paper, *Invitation to Comment — Disclosure Framework*
- FAF Revised Proposal, *GASB Scope of Authority: Consultation Process*
- EITF Issue No. 13-G, "Determining Whether the Host Contract in a Hybrid Financial Instrument Is More Akin to Debt or to Equity"
- EITF Issue No. 13-D, "Determination of Whether a Performance Target That Can Be Met After the Requisite Service Period Is a Performance Condition or a Condition That Affects the Grant-Date Fair Value of the Awards"
- EITF Issue No. 13-B, "Accounting for Investments in Tax Credits"
- Accounting Research Bulletin No. 51, *Consolidated Financial Statements*
- AICPA Statement of Position No. 13-2, *Performing Agreed-Upon Procedures Engagements That Address the Completeness, Mapping, Consistency, or Structure of XBRL-Formatted Information*
- AICPA Statement on Auditing Standards No. 127, *Omnibus Statement on Auditing Standards — 2013*
- AICPA Statement on Auditing Standards No. 126 (Redrafted), *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*
- AICPA Statement on Auditing Standards No. 125, *Alert That Restricts the Use of the Auditor's Written Communication*

AICPA Statement on Auditing Standards No. 124, *Financial Statements Prepared in Accordance With a Financial Reporting Framework Generally Accepted in Another Country*

AICPA Statement on Auditing Standards No. 123, *Omnibus Statement on Auditing Standards — 2011*

AICPA Statement on Auditing Standards No. 122, *Statements on Auditing Standards: Clarification and Recodification*

AICPA *Professional Standards*, AT Section 501, "An Examination of an Entity's Internal Control Over Financial Reporting That Is Integrated With an Audit of Its Financial Statements"

AICPA *Professional Standards*, ET Section 92, "Definitions"

AICPA Technical Practice Aids, TIS Section 2220.24, "Disclosures — Ability to Redeem Versus Actual Redemption Request"

AICPA Ethics Interpretation No. 101-3, *Performance of Nonattest Services*

AICPA Audit and Accounting Guide, *Service Organizations: Reporting on Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting*

AICPA Audit and Accounting Guide, *Employee Benefit Plans*

AICPA Audit and Accounting Guide, *Brokers and Dealers in Securities*

AICPA Audit and Accounting Guide, *Investment Companies*

AICPA Audit and Accounting Guide, *Construction Contractors*

AICPA Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*

AICPA Audit Risk Alert, *Real Estate and Construction Industry Developments*

AICPA Audit Risk Alert, *State and Local Governmental Developments*

AICPA Alert, *Understanding the Financial Reporting Framework for Small- and Medium-Sized Entities*

AICPA Proposed Statement on Standards for Attestation Engagements, *Attestation Standards: Clarification and Recodification*

AICPA Exposure Draft, *Proposed Definition of Those Charged With Governance*

AICPA Exposure Draft, *Trust Services Principles and Criteria*

SEC Regulation S-X, Rule 4-08, "General Notes to Financial Statements"

SEC Regulation S-X, Rule 4-02, "Items Not Material"

SEC Regulation S-X, Rule 3-14, "Special Instructions for Real Estate Operations to Be Acquired"

SEC Regulation S-X, Rule 3-09, "Separate Financial Statements of Subsidiaries Not Consolidated and 50 Percent or Less Owned Persons"

SEC Final Rule Release No. 34-70462, *Registration of Municipal Advisors*

SEC Final Rule Release No. 34-70073, *Broker-Dealer Reports*

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

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

SEC Final Rule Release No. 33-9457, *Adoption of Updated EDGAR Filer Manual*

SEC Final Rule Release No. 33-9415, *Eliminating the Prohibition Against General Solicitation and General Advertising in Rule 506 and Rule 144A Offerings*

SEC Proposed Rule Release No. 34-70277, *Credit Risk Retention*

SEC Proposed Rule Release No. 33-9452, *Pay Ratio Disclosure*

PCAOB Release No. 2013-006, *Second Report on the Progress of the Interim Inspection Program Related to Audits of Brokers and Dealers*

PCAOB Release No. 2013-005, *Proposed Auditing Standards — The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion; the Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report; and Related Amendments to PCAOB Standards*

GASB Statement No. 30, *Risk Financing Omnibus*

GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*

IPSASB Preliminary Views, *The Preface to the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities*

FASAB Statement No. 45, *Deferral of the Transition to Basic Information for Long-Term Projections*

FASAB Technical Release No. 15, *Implementation Guidance for General Property, Plant, and Equipment Cost Accumulation, Assignment, and Allocation*

GAO Exposure Draft, *Standards for Internal Control in the Federal Government*

OCC and Federal Reserve Final Rule, *Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Capital Adequacy, Transition Provisions, Prompt Corrective Action, Standardized Approach for Risk-Weighted Assets, Market Discipline and Disclosure Requirements, Advanced Approaches Risk-Based Capital Rule, and Market Risk Capital Rule 22*

FDIC Interim Final Rule, *Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Capital Adequacy, Transition Provisions, Prompt Corrective Action, Standardized Approach for Risk-Weighted Assets, Market Discipline and Disclosure Requirements, Advanced Approaches Risk-Based Capital Rule, and Market Risk Capital Rule*

IAS 36, *Impairment of Assets*

IASB Discussion Paper, *A Review of the Conceptual Framework for Financial Reporting*

IASB Proposed Interim Release, *IFRS Taxonomy 2013 — Documentation, Architecture, and IFRS Updates*

ISA 706 (Revised), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*

ISA 705 (Revised), *Modifications to the Opinion in the Independent Auditor's Report*

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

ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

ISA 570 (Revised), *Going Concern*

ISA 260 (Revised), *Communication With Those Charged With Governance*

IAASB Exposure Draft, *Reporting on Audited Financial Statements: Proposed New and Revised International Standards on Auditing (ISAs)*

IPSASB Recommended Practice Guideline 2, *Financial Statement Discussion and Analysis*

IPSASB Recommended Practice Guideline 1, *Reporting on the Long-Term Sustainability of an Entity's Finances*

IIA Practice Guide, *Selecting, Using, and Creating Maturity Models: a Tool for Assurance and Consulting Engagements*

IVSC Discussion Paper, *Proposal to Develop International Professional Standards for Professional Valuers*

IVSC Exposure Draft, *The Valuation of Equity Derivatives*

IAESB Exposure Draft, *2014–2016 IAESB Strategy and Work Plan*

## Appendix C: Abbreviations

<b>AICPA</b>	American Institute of Certified Public Accountants	<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>ARB</b>	Accounting Research Bulletin	<b>IAESB</b>	International Accounting Education Standards Board
<b>ASB</b>	Auditing Standards Board	<b>IAS</b>	International Accounting Standard
<b>ASC</b>	FASB Accounting Standards Codification	<b>IASB</b>	International Accounting Standards Board
<b>ASEC</b>	Assurance Services Executive Committee	<b>IES</b>	International Education Standard
<b>ASU</b>	FASB Accounting Standards Update	<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>C&amp;DIs</b>	compliance and disclosure interpretations	<b>IFAC</b>	International Federation of Accountants
<b>CAQ</b>	Center for Audit Quality	<b>IFRIC</b>	IFRS Interpretations Committee
<b>CEO</b>	chief executive officer	<b>IFRS</b>	International Financial Reporting Standard
<b>CFE</b>	collateralized financing entity	<b>IIA</b>	Institute of Internal Auditors
<b>CFO</b>	chief financial officer	<b>IOSCO</b>	International Organization of Securities Commissions
<b>COSO</b>	Committee of Sponsoring Organizations of the Treadway Commission	<b>IPSASB</b>	International Public Sector Accounting Standards Board
<b>CPE</b>	continuing professional education	<b>ISA</b>	International Standard on Auditing
<b>DEA</b>	designated examining authority	<b>ISAE</b>	International Standard for Attestation Engagements
<b>DOL</b>	U.S. Department of Labor	<b>IVSC</b>	International Valuation Standards Council
<b>DP</b>	discussion paper	<b>JOBS</b>	Jumpstart Our Business Startups
<b>DTA</b>	deferred tax asset	<b>LIBOR</b>	London Interbank Offered Rate
<b>ED</b>	exposure draft	<b>LIHTC</b>	low-income housing tax credit
<b>EDGAR</b>	Electronic Data Gathering, Analysis, and Retrieval	<b>NOL</b>	net operating loss
<b>EDT</b>	Eastern Daylight Time	<b>OCA</b>	Office of the Chief Accountant
<b>EDTF</b>	Enhanced Disclosure Task Force	<b>OCC</b>	Office of the Comptroller of the Currency
<b>EITF</b>	Emerging Issues Task Force	<b>PCAOB</b>	Public Company Accounting Oversight Board
<b>EST</b>	Eastern Standard Time	<b>PCC</b>	Private Company Council
<b>FAF</b>	Financial Accounting Foundation	<b>PCDMF</b>	private-company decision-making framework
<b>FAQs</b>	frequently asked questions	<b>PEEC</b>	Professional Ethics Executive Committee
<b>FASAB</b>	Federal Accounting Standards Advisory Board	<b>QIB</b>	qualified institutional buyer
<b>FASB</b>	Financial Accounting Standards Board	<b>RPG</b>	recommended practice guideline
<b>FDIC</b>	Federal Deposit Insurance Corporation	<b>RSI</b>	required supplementary information
<b>FHFA</b>	Federal Housing Finance Agency	<b>SAS</b>	Statement on Auditing Standards
<b>FRM</b>	SEC Financial Reporting Manual	<b>SEC</b>	Securities and Exchange Commission
<b>FRR</b>	financial responsibility rule	<b>SOP</b>	Statement of Position
<b>FSB</b>	Financial Stability Board	<b>SPPI</b>	solely payments of principal and interest
<b>G20</b>	Group of Twenty	<b>SSAE</b>	Statement on Standards for Attestation Engagements
<b>GAAP</b>	generally accepted accounting principles	<b>TIS</b>	Technical Inquiry Service
<b>GAO</b>	Government Accountability Office	<b>TPA</b>	Technical Practice Aid
<b>GASB</b>	Governmental Accounting Standards Board	<b>UTB</b>	unrecognized tax benefit
<b>G-PP&amp;E</b>	general property, plant, and equipment	<b>VIE</b>	variable interest entity
<b>HUD</b>	U.S. Department of Housing and Urban Development	<b>XBRL</b>	eXtensible Business Reporting Language

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

Further information about the standard setters can be found on their respective Web sites as follows: [www.fasb.org](http://www.fasb.org) (FASB); [www.fasb.org/eitf/agenda.shtml](http://www.fasb.org/eitf/agenda.shtml) (EITF); [www.aicpa.org](http://www.aicpa.org) (AICPA); [www.sec.gov](http://www.sec.gov) (SEC); [www.fasab.gov](http://www.fasab.gov) (FASAB); [www.gasb.org](http://www.gasb.org) (GASB); and [www.ifrs.org](http://www.ifrs.org) — or on [www.iasplus.com/en](http://www.iasplus.com/en) (IASB and IFRS Interpretations Committee).

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