



# Accounting Roundup

## Year in Review — 2013





To our clients, colleagues, and other friends:

Welcome to the 2013 edition of *Accounting Roundup: Year in Review*. In 2013, the FASB continued to work with the IASB on the boards' various convergence projects. In addition to continuing their discussion of the feedback on the proposed leases standard, the boards have essentially completed their redeliberations of their joint revised revenue recognition ED and are planning to issue a final standard on this topic in the first quarter of 2014.

In other news, the SEC has continued to focus on its rulemaking in response to mandates of the Dodd-Frank and JOBS acts by, for example, issuing final rules on registration of municipal advisers and general solicitation related to securities offerings. The Commission has also issued FAQs on its controversial final rule on conflict minerals, which was recently upheld by a federal court.

So what will be the focus for 2014? In addition to issuing their joint revenue standard, the FASB and IASB expect to issue final guidance related to the classification and measurement and impairment phases of their project on financial instruments. Further, the FASB, in coordination with the PCC, is expected to issue final ASUs on its private-company alternatives related to goodwill and hedge accounting in early 2014.

The AICPA held its annual Conference on Current SEC and PCAOB Developments in early December. During the conference, representatives from the SEC, PCAOB, FASB, IASB, and other organizations provided updates on new developments, regulations, and current priorities. For more information about the conference, see Deloitte's December 16, 2013, [Heads Up](#).

*Accounting Roundup: Year in Review* summarizes final guidance that affects reporting and disclosures for the coming reporting season. With the exception of guidance issued in December, proposed guidance, such as exposure drafts and invitations to comment, is not included. Please see our 2013 monthly and quarterly issues of *Accounting Roundup* for more information about these documents.

In addition, note that in this year-end edition, an asterisk in the article title denotes events that occurred in December or that were not addressed in previous 2013 issues of *Accounting Roundup*, including updates to previously reported topics. Events without asterisks were covered in those previous 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. Further details are also on the Web sites of the accounting standard setters and regulators, including the [FASB](#), [GASB](#), [SEC](#), [PCAOB](#), [AICPA](#), and [IASB](#).

Be sure to also visit Deloitte's new [US GAAP Plus](#) Web site for additional information about the latest standard-setting developments. A "subsite" of [IAS Plus](#), our successful and long-established IFRS-related news and content site, US GAAP Plus offers the same type of comprehensive free coverage — but with a focus on U.S. accounting news and guidance.

And check out our new Twitter feed, [@DeloitteAcctg](#), for insights into the latest U.S.-focused accounting, financial reporting, regulatory, and industry developments. Join the conversation today!

We hope that *Accounting Roundup: Year in Review* will be helpful to you this financial reporting season. As always, we welcome your feedback. Please send questions and comments to [accountingstandards@deloitte.com](mailto:accountingstandards@deloitte.com).

Happy New Year,

Deloitte & Touche LLP



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## Accounting Developments — New Standards and Exposure Drafts

### Balance Sheet Offsetting

#### FASB Issues ASU Clarifying Scope of Offsetting Disclosure Requirements

**Affects:** All entities.

**Summary:** On January 31, 2013, the FASB issued [ASU 2013-01](#), which clarifies the scope of the offsetting disclosure requirements in [ASU 2011-11](#). Under ASU 2013-01, the disclosure requirements would apply to derivative instruments accounted for in accordance with ASC 815, including bifurcated embedded derivatives, repurchase agreements and reverse repurchase agreements, and securities borrowing and securities lending arrangements that are either offset on the balance sheet or subject to an enforceable master netting arrangement or similar agreement.

**Next Steps:** ASU 2013-01 is effective for fiscal years beginning on or after January 1, 2013, and interim periods within those years. Retrospective application is required for all comparative periods presented.

**Other Resources:** Deloitte's February 5, 2013, [Heads Up](#). Also see the [press release](#) on the FASB's Web site. ●

### Fair Value Measurement

#### 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](#). ●

### Financial Instruments

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

**Affects:** Entities that apply hedge accounting of a 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](#). ●

## Foreign Currency

### FASB Issues ASU on Foreign-Currency Matters

**Affects:** Entities with foreign subsidiaries or foreign investments.

**Summary:** On March 4, 2013, the FASB issued [ASU 2013-05](#), which indicates that the entire amount of a cumulative translation adjustment (CTA) related to an entity's investment in a foreign entity should be released when there has been a:

- Sale of a subsidiary or group of net assets within a foreign entity and the sale represents the substantially complete liquidation of the investment in the foreign entity.
- Loss of a controlling financial interest in an investment in a foreign entity (i.e., the foreign entity is deconsolidated).
- Step acquisition for a foreign entity (i.e., when an entity has changed from applying the equity method for an investment in a foreign entity to consolidating the foreign entity).

The ASU does not change the requirement to release a pro rata portion of the CTA of the foreign entity into earnings for a partial sale of an equity method investment in a foreign entity.

**Next Steps:** For public entities, the ASU is effective for fiscal years (and interim periods within those fiscal years) beginning on or 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 is permitted for both public and nonpublic entities. The ASU should be applied prospectively from the beginning of the fiscal year of adoption.

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

## Income Taxes

### 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.

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](#). ●

## Investment Companies

### FASB Issues ASU Amending Investment-Company Guidance

**Affects:** All entities.

**Summary:** On June 7, 2013, the FASB issued [ASU 2013-08](#), which amends the criteria an entity would need to meet to qualify as an investment company under ASC 946. While the ASU is not expected to significantly change which entities qualify for the specialized investment-company accounting in ASC 946, it (1) introduces new disclosure requirements that apply to all investment companies and (2) amends the measurement criteria for certain interests in other investment companies. The ASU also amends the requirements in ASC 810 related to qualifying for the "investment-company deferral" in ASU 2010-10 as well as the requirements in ASC 820 related to qualifying for the "net asset value practical expedient" in ASU 2009-12.

Entities that are regulated under the Investment Company Act of 1940 (the "1940 Act") are within the scope of ASC 946 regardless of whether they meet the revised investment-company criteria. Entities that are not regulated under the 1940 Act must possess all three "fundamental characteristics" (as defined in the guidance) related to the entity's activities and objectives to qualify as an investment company.

In addition, the guidance notes five "typical" characteristics that an investment company would generally be expected to possess. An entity that does not display one or more of the "typical" characteristics is not necessarily precluded from qualifying as an investment company but will need to determine how its activities are consistent with those of such a company. The entity's purpose and design should be considered as part of this evaluation.

**Next Steps:** The ASU is effective for an entity's interim and annual reporting periods in fiscal years that begin after December 15, 2013. Earlier application is prohibited.

**Other Resources:** Deloitte's June 10, 2013, [Heads Up](#). ●

## Liabilities

### FASB Issues ASU on Joint-and-Several Obligations

**Affects:** Entities that are jointly and severally liable with other entities.

**Summary:** On February 28, 2013, the FASB issued [ASU 2013-04](#), which is based on a consensus reached by the EITF. The ASU requires entities to "measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date, as the sum of the following:

- a. The amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors
- b. Any additional amount the reporting entity expects to pay on behalf of its co-obligors."

Required disclosures include a description of the joint-and-several arrangement and the total outstanding amount of the obligation for all joint parties. The ASU permits entities to aggregate disclosures (as opposed to providing separate disclosures for each joint-and-several obligation). These disclosure requirements are incremental to the existing related-party disclosure requirements in ASC 850.

**Next Steps:** The ASU is effective for public entities for all prior periods in fiscal years beginning on or 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.

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

## Liquidation Basis of Accounting

### FASB Issues ASU on Liquidation Basis of Accounting

**Affects:** All entities except investment companies regulated under the Investment Company Act of 1940.

**Summary:** On April 22, 2013, the FASB issued [ASU 2013-07](#), which contains guidance on applying the liquidation basis of accounting and the related disclosure requirements. Under the ASU, an entity must use the liquidation basis of accounting to present its financial statements when it determines that liquidation is imminent, unless the liquidation is the same as that under the plan specified in an entity's governing documents created at its inception. According to the ASU, liquidation would be considered imminent in either of the following situations:

- a. A plan for liquidation has been approved by the person or persons with the authority to make such a plan effective, and the likelihood is remote that any of the following will occur:
  - 1. Execution of the plan will be blocked by other parties (for example, those with shareholder rights)
  - 2. The entity will return from liquidation.
- b. A plan for liquidation is imposed by other forces (for example, involuntary bankruptcy), and the likelihood is remote that the entity will return from liquidation.

Under the ASU, an entity must present, at a minimum, (1) a statement of net assets in liquidation and (2) a statement of changes in net assets in liquidation. The entity must also present all U.S. GAAP disclosures that are relevant to a user's understanding of the liquidation-basis financial statements. In addition, the entity must include expanded disclosures in its financial statements for the reporting period in which the entity determines that liquidation is imminent. The ASU states that, at a minimum, an entity must disclose all of the following:

- a. That the financial statements are prepared using the liquidation basis of accounting, including the facts and circumstances surrounding the adoption of the liquidation basis of accounting and the entity's determination that liquidation is imminent.
- b. A description of the entity's plan for liquidation, including a description of each of the following:
  - 1. The manner by which it expects to dispose of its assets and other items it expects to sell that it had not previously recognized as assets (for example, trademarks)
  - 2. The manner by which it expects to settle its liabilities
  - 3. The expected date by which the entity expects to complete its liquidation.
- c. The methods and significant assumptions used to measure assets and liabilities, including any subsequent changes to those methods and assumptions.
- d. The type and amount of costs and income accrued in the statement of net assets in liquidation and the period over which those costs are expected to be paid or income earned.

**Next Steps:** The ASU is 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.

**Other Resources:** Deloitte's April 23, 2013, [Heads Up](#). ●

## Nonpublic Entities

### FASB Issues ASU Exempting Nonpublic Entities From Disclosure Requirement Related to Fair Value Hierarchy

**Affects:** Nonpublic entities.

**Summary:** On February 7, 2013, the FASB issued [ASU 2013-03](#), which exempts nonpublic entities from the requirement in ASC 825 (amended by ASU 2011-04) to disclose the fair value hierarchy level (i.e., Level 1, 2, or 3) for fair value measurements of financial assets and financial liabilities that are disclosed in the footnotes to the financial statements but not reported at fair value in the statement of financial position. The ASU does not change any other fair value disclosure requirements in ASC 820 or ASC 825.

The amendments in ASU 2013-03 became effective upon issuance.

**Other Resources:** Deloitte's February 8, 2013, [Heads Up](#). ●

## Not-for-Profit Entities

### FASB Issues ASU in Response to EITF Consensus on Services Received From Personnel of an Affiliate

**Affects:** Not-for-profit entities (NFPs).

**Summary:** On April 19, 2013, the FASB issued [ASU 2013-06](#) in response to a consensus reached at the EITF's March 14, 2013, meeting. The ASU's purpose is to "specify the guidance that [NFPs] apply for recognizing and measuring services received from personnel of an affiliate." The scope of the ASU includes all services received from personnel of any affiliate for which the affiliate does not seek compensation from the recipient NFP. Affiliates may include (1) other NFPs, (2) for-profit entities, (3) individuals, or (4) other parties that qualify as affiliates. Personnel services received from all other entities will continue to be accounted for in accordance with the contributed-services guidance in ASC 958-605. Other provisions of the ASU include the following:

- An NFP should recognize all personnel services (not solely those that are specialized) that directly benefit the recipient NFP, including certain shared services.
- A recipient NFP should measure services received from personnel of an affiliate at the cost recognized by the affiliate for the personnel providing those services. However, in unusual circumstances, the cost amount for the personnel services received may significantly differ from the value received. In such cases, the recipient NFP can elect to measure those personnel services received at fair value.

**Next Steps:** The ASU is effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient NFP 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.

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

## Presentation of Comprehensive Income

### FASB Issues ASU Containing New Disclosure Requirements for Reclassification Adjustments Out of AOCI

**Affects:** Entities that report items of OCI.

**Summary:** On February 5, 2013, the FASB issued [ASU 2013-02](#), which requires entities to disclose the following additional information about items reclassified out of accumulated other comprehensive income (AOCI):

- Changes in AOCI balances by component (e.g., unrealized gains or losses on available-for-sale securities or foreign-currency items), with separate presentation of (1) reclassification adjustments

and (2) current-period OCI. Both before-tax and net-of-tax presentations of the information are acceptable as long as an entity presents the income tax benefit or expense attributed to each component of OCI and reclassification adjustments in either the financial statements or the notes to the financial statements.

- Significant items reclassified out of AOCI by component either on the face of the income statement or as a separate footnote to the financial statements.

The ASU does not change the current U.S. GAAP requirements, for either public or nonpublic entities, for interim financial statement reporting of comprehensive income. That is, a total for comprehensive income must be reported in condensed interim financial statements in either (1) a single continuous statement or (2) two separate but consecutive statements. However, public entities would also need to include information about (1) changes in AOCI balances by component and (2) significant items reclassified out of AOCI in their interim reporting periods. Nonpublic entities are not required to disclose information about significant items reclassified out of AOCI but must comply with the other disclosure requirements for interim financial reporting.

**Next Steps:** For public entities, the ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2012; for nonpublic entities, the ASU is effective for fiscal years beginning after December 15, 2013, and interim and annual periods thereafter. Early adoption is permitted. The amendments in the ASU should be applied prospectively.

**Other Resources:** Deloitte's February 6, 2013, [Heads Up](#). ●

## International

### IASB Finalizes and Proposes Amendments to IFRSs as Part of Annual Improvements Project\*

**Affects:** Entities reporting under IFRSs.

**Summary:** On December 12, 2013, the IASB finalized a series of amendments proposed in its EDs on the 2010–2012 and 2011–2013 cycles for improvements to IFRSs. A day earlier, the IASB also issued an [ED](#) proposing IFRS amendments for its 2012–2014 cycle.

The purpose of the annual improvements project is to make nonurgent changes, including clarifications and narrow-scope modifications, to multiple IFRSs in one convenient location rather than in separate documents.

**Next Steps:** Comments on the ED are due by March 13, 2014.

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

### IASB Proposes Narrow-Scope Amendments to IAS 27

**Affects:** Entities reporting under IFRSs.

**Summary:** On December 2, 2013, the IASB issued an [ED](#) that proposes amendments to IAS 27 under which entities would be permitted to "use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate (parent only) financial statements." The proposed amendments would be expected to "reduce compliance costs for many entities, while providing information helpful to an assessment of the investor's net assets and profit or loss."

**Next Steps:** Comments on the ED are due by February 3, 2014.

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

### IASB Issues Narrow-Scope Amendments to IAS 19

**Affects:** Entities reporting under IFRSs.

**Summary:** On November 21, 2013, the IASB issued amendments to IAS 19 that simplify the accounting for contributions that employees and third parties make to defined benefit plans. The amendments would permit entities to recognize "such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service."

**Next Steps:** The amendments will become effective on July 1, 2014; early adoption is permitted.

**Other Resources:** For more information, see Deloitte's November 21, 2013, [IFRS in Focus](#). Also see the [project page](#) on the IASB's Web site. ●

## IASB Issues Amendments to IFRS 9

**Affects:** Entities reporting under IFRSs.

**Summary:** : On November 19, 2013, the IASB issued amendments to IFRS 9 as part of the hedge accounting phase of its project on accounting for financial instruments. The changes include (1) the introduction of a new hedge accounting model, along with disclosure requirements related to risk management activity; (2) an option for entities to early adopt the requirement to recognize fair value changes attributable to the credit risk of financial liabilities for which they have elected the fair value option in OCI rather than in profit and loss; and (3) the removal of IFRS 9's mandatory effective date (which formerly was January 1, 2015) to give the IASB more time to finalize other aspects of its project on accounting for financial instruments.

**Next Steps:** The IASB is currently redeliberating aspects of the other two phases of its financial instruments project (i.e., classification and measurement and the expected credit loss impairment model) and is expecting to issue a final version of IFRS 9 after completing those deliberations.

**Other Resources:** Deloitte's November 26, 2013, [Heads Up](#). Also see the [project summary](#) on the IASB's Web site. ●

## IASB Amends IAS 39 to Provide Relief for Novation of Derivatives

**Affects:** Entities reporting under IFRSs.

**Summary:** On June 27, 2013, the IASB released limited-scope amendments to IAS 39 that allow reporting entities to maintain hedge accounting when "a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty [CCP] as a result of laws or regulation, if specific conditions are met." The amendments were issued to address reporting entities' concerns about the effect of proposed and recently enacted regulations (e.g., the Dodd-Frank Wall Street Reform and Consumer Protection Act) that require central clearing of certain over-the-counter derivatives in existing hedge relationships.

To benefit from the amendments to IAS 39, an entity must meet all of the following criteria:

- Novation to a CCP must occur as a result of laws or regulations or the introduction of laws or regulations.
- After the novation, the CCP would become the new counterparty to each of the original parties to the derivative.
- Any changes to the hedging instrument would be limited to those necessary to effect such a replacement of the counterparty.

**Next Steps:** The amendments are effective for annual periods beginning on or after January 1, 2014; early adoption is permitted.

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

## IASB Clarifies Disclosure Requirements in IAS 36

**Affects:** Entities reporting under IFRSs.

**Summary:** On May 29, 2013, the IASB issued amendments to IAS 36 to clarify the scope of some of the standard's disclosure requirements. The amendments reduce the circumstances in which entities must disclose the recoverable amount of assets or cash-generating units and explicitly require entities to disclose the discount rate used to determine impairment (or reversals) when a present value technique is used to calculate the recoverable amount (based on fair value less disposal costs).

**Next Steps:** The amendments are effective for annual reporting periods beginning on or after January 1, 2014. Early adoption is permitted for entities that have already adopted IFRS 13.

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

## IFRS Interpretations Committee Issues Interpretation on Levies

**Affects:** Entities reporting under IFRSs.

**Summary:** On May 20, 2013, the IFRS Interpretations Committee issued Interpretation 21, which clarifies when a reporting entity should recognize a liability related to a levy (other than for income taxes) assessed by a governmental entity. Interpretation 21 explains that “the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation.”

**Next Steps:** Interpretation 21 is effective for annual periods beginning on or after January 1, 2014. Early adoption is permitted.

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

## Accounting — Other Key Developments

### AICPA

#### AICPA Publishes Non-GAAP Framework for Financial Reporting

**Affects:** Entities that are not required to apply U.S. GAAP.

**Summary:** On June 10, 2013, the AICPA released its *Financial Reporting Framework for Small- and Medium-Sized Entities* (the FRF for SMEs), an optional, comprehensive basis of accounting for businesses that are not required to use U.S. GAAP. The AICPA describes the framework as “a cost-beneficial solution for management, owners, and others who require financial statements that are prepared in a consistent and reliable manner in accordance with a non-GAAP framework that has undergone public comment and professional scrutiny.”

The FRF for SMEs is more robust than a cash (or tax) basis of accounting but not as stringent or demanding as U.S. GAAP. Drawing on a blend of traditional accounting principles and accrual income tax methods of accounting, the principles-based framework gives businesses options for developing their accounting policies. The FRF for SMEs also simplifies accounting and reporting by generally using a measurement method based on historical cost (rather than fair value) and allowing greater flexibility in disclosures.

There are no strict criteria (e.g., size tests) for determining whether an entity may use the FRF for SMEs. However, the framework lists various characteristics that would be typical of entities using it, including the following:

- The entity is not subject to regulatory provisions that require GAAP-based financial statements.
- The controlling interest has no intention of taking the entity public.
- The entity is for-profit.
- The entity is owner-managed (i.e., closely held with owners involved in management).

Ultimately, management must determine whether such a framework meets the entity's financial reporting needs. Critical to this assessment will be the framework's acceptability to other stakeholders (e.g., lenders). Financial statements prepared under the FRF for SMEs can be audited by CPA practitioners under the same standards used for reporting on other special-purpose-framework financial statements.

Because the FRF for SMEs is optional, there is no effective date.

**Other Resources:** For more information, see the AICPA's [FAQs](#) about the framework. ●

## 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 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, 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. ●

## Disclosure Framework

### FASB Issues FAQs on Disclosure Framework

**Affects:** All entities.

**Summary:** On October 10, 2013, the FASB issued [FAQs](#) on its disclosure framework project, which is intended to improve the clarity and effectiveness of entities' financial statement disclosures. Topics covered in the FAQs include:

- The Board's decision process for determining disclosure requirements.
- Disclosure volume.
- Whether entities will be required to disclose forward-looking information (e.g., predictions of future cash flows) in the notes to the financial statements.
- Whether the framework will eliminate overlap between U.S. GAAP and regulatory requirements (e.g., SEC rules). ●

## Post-Implementation Reviews

### FAF Completes Post-Implementation Reviews\*

**Affects:** All entities.

**Summary:** During 2013, the FAF issued post-implementation review (PIR) reports on the following standards:

- [FASB Statement 109](#) — The PIR report concluded that Statement 109 had provided decision-useful information to investors and that its application and implementation were an overall success.
- [FASB Statement 141\(R\)](#) — The PIR report concluded that the issuance of Statement 141(R) "resolved some of the issues associated with the purchase method of accounting for business combinations; that its principles and requirements generally are understandable and can be applied as intended; and that investors generally find the resulting information to be useful." However, the PIR also indicated that Statement 141(R) has had some unanticipated negative effects, including higher-than-expected costs for preparers.
- [GASB Statements 3 and 40](#) — The PIR report concluded that the two standards "have achieved their purpose and provide decision-useful information to creditors and other financial statement users."
- [GASB Statements 10 and 30](#) — The PIR report concluded 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 [PIR page](#) on the FAF's Web site. ●

## Private Companies

### FASB Endorses Private-Company Alternatives

**Affects:** Private companies.

**Summary:** At its November 25, 2013, meeting, the FASB voted to endorse for final issuance two alternatives to U.S. GAAP for private companies put forth by the PCC. The first alternative will allow private companies to elect to amortize goodwill recognized from a business combination over 10 years (or, alternatively, a period less than 10 years if more appropriate). It will also simplify the goodwill impairment process by allowing private companies to test goodwill (1) only when impairment indicators are present (rather than at least annually) and (2) at an entity-wide level (rather than at the reporting-unit level).

The second alternative will allow private companies that are not financial institutions to apply, in certain circumstances, a simplified hedge accounting method to hedging relationships involving variable-rate debt and a pay-fixed, receive-floating interest rate swap. The simplified approach assumes no hedge ineffectiveness in the hedging relationship, thereby resulting in an income statement impact similar to what would have occurred had the private company simply entered into a fixed-rate borrowing. In addition, the simplified approach allows private companies to measure the hedging interest rate swap at its settlement value, rather than at fair value, and gives private companies more time to put hedge documentation in place. The alternative also provides certain private companies with relief from fair value measurement disclosure requirements.

**Next Steps:** Both of the endorsed alternatives will be effective for reporting periods beginning after December 15, 2014. Early adoption will be permitted for both alternatives.

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

## Revenue

### FASB and IASB Essentially Complete Revenue Redeliberations and Plan to Issue Final Standard\*

**Affects:** All entities.

**Summary:** At their meetings in 2013, the FASB and IASB essentially completed their redeliberations of their November 2011 joint [revised ED](#) on revenue recognition and are currently drafting final standards on this topic.

**Next Steps:** The final revenue standard is expected to be issued in the first quarter of 2014.

**Other Resources:** For more information about the boards' revenue project, including feedback discussed and tentative decisions reached at recent meetings, see Deloitte's March 5, 2013, [Heads Up](#) and [November 1, 2013](#), and [September 19, 2013](#), journal entries. ●

## XBRL

### FASB Issues XBRL Implementation Guidance

**Affects:** SEC registrants.

**Summary:** On February 11, 2013, the FASB issued its first [XBRL implementation guide](#) in a series on subsequent-event disclosures. The FASB's [press release](#) about the guides states that they are "designed to help Taxonomy users understand how certain disclosures are structured within the [U.S. GAAP XBRL] Taxonomy."

In addition, in March, the FASB issued the following four implementation guides:

- [Other Comprehensive Income](#).
- [Insurance Industry: Concentration of Credit Risk Disclosures](#).

- [Insurance Industry: Reinsurance-Related Disclosures](#).
- [Segment Reporting](#).

Moreover, on February 1, 2013, the FASB issued its first [taxonomy style guide](#) on definition components and structure, which serves as additional reference material under the U.S. GAAP XBRL taxonomy.

**Other Resources:** For more information, see the [implementation and style guides page](#) on the FASB's Web site. ●

## International

### IASB Completes Third Phase of IFRS Adoption Study\*

**Affects:** Entities reporting under IFRSs.

**Summary:** On December 9, 2013, the IASB announced that it has recently completed the third phase of its study on whether and, if so, how IFRSs are being adopted in various jurisdictions throughout the world. In this study, the IASB develops profiles of each jurisdiction to analyze its use of IFRSs (e.g., which companies are using IFRSs, whether the jurisdiction requires or permits IFRSs, how the jurisdiction adopts or endorses IFRSs). The study's third phase, which has increased the number of surveyed countries to 122, has further confirmed the status of IFRSs as the globally accepted financial reporting language.

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

### IFRS Foundation Trustees Announce First Membership of Accounting Standards Advisory Forum

**Affects:** Entities reporting under IFRSs.

**Summary:** On March 19, 2013, the trustees of the IFRS Foundation announced the initial membership of the Accounting Standards Advisory Forum (ASAF), which "will serve as a technical advisory body to the IASB." The ASAF will consist of 12 members of the global accounting standard-setting community and will be chaired by the IASB. On the same day, the FASB [announced](#) that it will join the ASAF "to represent U.S. interests in the IASB's standard-setting process and to continue the process of improving and converging U.S. Generally Accepted Accounting Principles and IFRS."

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

### IFRS Foundation Publishes 2013 IFRS Taxonomy

**Affects:** Entities reporting under IFRSs.

**Summary:** On March 27, 2013, the IFRS Foundation released the 2013 IFRS Taxonomy. The taxonomy is a translation of IFRSs into XBRL and is consistent with IFRSs as issued by the IASB as of January 1, 2013. The release contains XBRL tags for all IFRS disclosure requirements.

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

### IFRS Foundation Monitoring Board Finalizes Membership Assessment Approach

**Summary:** On March 1, 2013, the IFRS Foundation Monitoring Board finalized its assessment approach for membership. Under this approach, the board would expand its current membership and would begin periodically assessing members to determine whether they meet its membership criteria.

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

### IFAC Issues Policy Position Paper on Enhancing Organizational Reporting

**Affects:** All entities.

**Summary:** On October 11, 2013, IFAC issued a [policy position paper](#) stressing the importance of reporting "broad-based information" that improves upon traditional financial reporting. Such information should be decision-useful and transparent and should include a comprehensive summary of the entity's performance, sustainability, and long-term potential.

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

## Auditing Developments

### AICPA

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

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

**Summary:** In 2013, the AICPA issued the following new and revised publications:

- SOPs 13-1 on [greenhouse gas emissions](#) and 13-2 on [performing agreed-upon procedures engagements](#).
- New editions of audit and accounting guides on [airlines](#), [broker-dealers](#), [construction contractors](#), [employee benefit plans](#), [health care entities](#), [investment companies](#), [life and health insurance entities](#), [not-for-profit entities](#), [property and liability insurance entities](#), [prospective financial information](#), [service organizations](#), and [state and local governments](#).
- Minor editorial changes to its audit and accounting guides on [employee benefit plans](#), [privately-held-company equity securities](#), and [state and local governments](#).
- New audit guides on [auditing financial instruments](#), [assessing and responding to audit risk](#), and [government auditing standards and circular A-133 audits](#).
- New accounting and valuation guides on [goodwill impairment testing](#) and [valuation of privately-held-company equity securities](#).
- A guide on [compilation and review engagements](#).
- Minor editorial changes to its checklists and illustrative financial statements for [defined benefit pension plans](#), [defined contribution retirement plans](#), [health and welfare benefit plans](#), [not-for-profit entities](#), and [state and local governments](#).
- Minor editorial changes to its audit risk alerts on [real estate and construction](#) and [state and local governmental developments](#).
- Alerts on the [framework for SMEs](#) and [independence and ethics developments](#).
- Audit risk alerts on [understanding the clarified auditing standards](#), [industry developments related to employee benefit plans](#), [government auditing standards](#), and [audits of group financial statements](#).
- A practice aid on [related-party audit considerations](#).
- Revisions to AU-C Sections 200 and 210 and AR Section 60 as a result of a recently adopted provision of Ethics Interpretation 101-3.
- An amendment to Ethics Ruling 70 under ET Section 191.
- 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.
- TIS Sections 6910.34–.35 on fair value measurement, 8810.01–.41 on audits of group financial statements, 9100.07 on locating an auditor's practice, and 9110.21–.23 on auditing financial statements in accordance with GAAS.
- Revisions to TIS Sections 2220.24 and 2220.26 on long-term investments and TIS Section 6910.25 on investment companies.
- An amendment to Interpretation 101-3 under Rule 101 of the AICPA's [Code of Professional Conduct](#). ●

## AICPA Issues FAQs on Third-Party Verification Letters

**Affects:** CPAs and their clients.

**Summary:** In October 2013, the AICPA issued a series of [FAQs](#) on third-party verification letters. The primary purpose of these FAQs is to highlight best practices for CPAs who are responding to a third-party request for verification of client information. ●

## CAQ

### CAQ Issues Alert on Auditing Considerations for 2013\*

**Affects:** Auditors of public entities.

**Summary:** On December 17, 2013, the CAQ issued an [alert](#) reminding public-company auditors about some of the more challenging topics “that may be relevant for the 2013 audit cycle” (e.g., those that regulators have recently focused on). These topics include ICFR, professional skepticism, engagement quality review, accounting estimates, substantive analytical procedures, and inaccurate or omitted disclosures.

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

### CAQ and Other Governance Organizations Issue “Call to Action” on Enhancing Audit Committee Reports

**Affects:** Audit committees of public entities.

**Summary:** On November 20, 2013, the CAQ and other key U.S. governance organizations issued a “[call to action](#)” to audit committees of public entities. The document highlights the “premise that, given the importance of the audit committee’s responsibilities for broadly overseeing the financial statement process, including the work of the external and internal auditors, it is important for investors and others with a stake in our financial markets to understand and have confidence in the audit committee’s work.”

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

### Anti-Fraud Collaboration Launches Web Site

**Affects:** All entities and their auditors.

**Summary:** In January 2013, the Anti-Fraud Collaboration launched a [Web site](#) that provides access to various anti-fraud tools and resources “targeted to the unique roles and responsibilities of the primary participants in the financial reporting supply chain — audit committees, company financial management, and internal and external auditors.”

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

## COSO

### COSO Updates *Internal Control — Integrated Framework*

**Affects:** All entities and their auditors.

**Summary:** On May 14, 2013, COSO issued an updated version of its *Internal Control — Integrated Framework*. Originally issued in 1992, the framework helps organizations design, implement, and evaluate the effectiveness of internal controls. Updates to the framework are intended to clarify internal-control concepts and simplify their use and application. The 1992 framework will remain available during the transition period, which ends on December 15, 2014. Along with the 2013 framework, COSO issued a document containing examples illustrating various approaches to assessing the effectiveness of internal controls.

**Other Resources:** For more information, see Deloitte’s June 10, 2013, [Heads Up](#) as well as the [press release](#) on COSO’s Web site. ●

## Federal Reserve

### Federal Reserve Issues Statement on Internal Audit Functions

**Affects:** Banking organizations.

**Summary:** On January 23, 2013, the Federal Reserve issued a [supplemental policy statement](#) that provides guidance on how regulated institutions that have more than \$10 billion in total consolidated assets can improve their internal audit functions.

**Other Resources:** For more information, see the [supervision and regulation letter](#) on the Federal Reserve's Web site. ●

## PCAOB

### PCAOB Issues Report on Implementing Auditing Standard 7\*

**Affects:** Registered public accounting firms.

**Summary:** On December 6, 2013, the PCAOB issued a [report](#) detailing the results of the Board's inspections of 213 registered public accounting firms and about 820 audit engagements during 2011. The report concluded that although "firms' methodologies were [generally] consistent with the requirements of" Auditing Standard 7, there were a number of instances in which "the audit opinion was insufficiently supported" and in which an "audit deficiency should have been identified by the engagement quality reviewer."

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

### PCAOB Reproposes Requirements for Disclosing the Engagement Partner and Other Audit Participants in the Auditor's Report\*

**Affects:** Registered public accounting firms.

**Summary:** On December 4, 2013, the PCAOB issued for public comment a [reproposal](#) that would amend PCAOB auditing standards to require disclosure of the following information in the auditor's report on public companies and broker dealers:

[T]he name of the engagement partner who led the audit for the most recent period, and

[T]he names, locations, and extent of participation (as a percentage of the total audit hours) of other public accounting firms that took part in the audit, and the locations and extent of participation of other persons (whether an individual or a company) not employed by the auditor who performed procedures on the audit.

The PCAOB is reproposing the amendments to obtain additional feedback on the following:

- The usefulness of the proposed disclosures.
- Costs of the proposed amendments and their effects on competition.
- The reproposal's disclosure-related technical changes (e.g., increasing the threshold for disclosures about other participants in the audit from 3 percent to 5 percent of total audit hours).
- Whether the proposed amendments should apply to audits of emerging growth companies.

**Next Steps:** Comments on the reproposal are due by February 3, 2014.

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

### PCAOB Approves Proposal to Amend Rules and Forms in Response to Dodd-Frank Act\*

**Affects:** Registered public accounting firms.

**Summary:** On December 4, 2013, the PCAOB approved a February 2012 [proposal](#) that would amend certain of the Board's rules and forms to comply with the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Among other things, the proposed amendments would "insert references to audits and auditors of broker-dealers in relevant Board rules, and call for broker-dealer audit client information on the Board's registration, withdrawal, and reporting forms."

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

## PCAOB Issues Staff Guidance on the Quality-Control Remediation Process

**Affects:** Registered public accounting firms.

**Summary:** On November 18, 2013, the staff in the PCAOB's Division of Registration and Inspections issued [guidance](#) identifying the following five criteria the staff uses when making recommendations to the Board concerning the sufficiency of auditing firms' remediation efforts: change, relevance, design, implementation, and execution and effectiveness. ●

## PCAOB Issues Staff Audit Practice Alert on Deficiencies in ICFR

**Affects:** Registered public accounting firms.

**Summary:** On October 24, 2013, the PCAOB issued a [staff audit practice alert](#) on deficiencies the PCAOB has noted in inspection reports related to audits of entities' ICFR. Topics covered in the alert include:

- Internal control audits and auditors' risk assessments.
- Selection of controls for testing.
- "Testing management review controls."
- IT considerations, "including system-generated data and reports."
- Rollforwards for "control testing performed at an interim date."
- "Using the work of others."
- "Evaluating identified control deficiencies."

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

## PCAOB Releases Broker-Dealer Attestation Standards and Auditing Standard Related to Supplemental Information

**Affects:** Registered public accounting firms.

**Summary:** On October 10, 2013, the PCAOB issued two [attestation standards](#) (the "examination standard" and the "review standard") related to the examination of broker-dealer compliance and exemption reports. In conjunction with the attestation standards, the PCAOB also adopted [Auditing Standard 17](#), which applies to auditors engaged to report on supplemental information.

The examination standard establishes requirements for the auditor's examination of certain statements made by a broker-dealer in its compliance report (as required by the amendments to SEC Rule 17a-5). The auditor's objective is to express an opinion regarding whether these statements are fair in all material respects.

The review standard contains requirements for the auditor's review of assertions by a broker-dealer that is claiming an exemption from the customer protection rule (i.e., SEC Rule 15c3-3). The auditor's objective is to state, on the basis of the results of the review, whether the auditor is aware of any material modifications that need to be made to the broker-dealer's assertions so that those assertions are fairly stated in all material respects.

Auditing Standard 17 prescribes the auditor's responsibilities related to audit procedures and reporting on whether supplemental information accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Next Steps:** The standards, pending SEC approval, will become effective for audits of financial statements for fiscal years ending on or after June 1, 2014. ●

## PCAOB Issues Second Progress Report on Interim Inspection Program for Audits of 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 audits of 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. ●

## Summary of the May 15–16 and November 13–14 Meetings of the PCAOB’s Standing Advisory Group\*

**Affects:** Registered public accounting firms.

**Summary:** At the May 15–16 and November 13–14, 2013, PCAOB Standing Advisory Group (SAG) meetings, the PCAOB gave an update on recent developments, including an overview of its current and future standard-setting activities. Other topics discussed included:

- The formation and potential objectives of a SAG Fraud Task Force.
- The PCAOB’s proposed standards addressing modifications to the auditor’s report and the auditor’s responsibilities regarding other information in certain documents containing audited financial statements and the related auditor’s report.
- The PCAOB’s audit quality indicators project.
- Enhancing outreach to audit committees.

**Next Steps:** The next SAG meeting is scheduled for May 28–29, 2014.

**Other Resources:** For more information, see Deloitte’s [June 25, 2013](#), and [December 10, 2013](#), *Heads Up* newsletters. ●

## International

### IAESB Issues ED on Professional Competence\*

**Affects:** IFAC member bodies.

**Summary:** On December 13, 2013, the IAESB reexposed [IES 8](#) for public comment in response to comment-letter feedback on the original ED. The principal objective of IES 8, as revised, would be to provide guidance on the professional competence requirements for engagement partners who are responsible for financial statement audits.

**Next Steps:** Comments on the ED are due by April 17, 2014.

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

### IAASB Revises Guidance on Assurance Engagements\*

**Affects:** Entities performing assurance engagements.

**Summary:** On December 9, 2013, the IAASB issued a [revised version](#) of ISAE 3000, which provides guidance on assurance engagements other than audits or reviews of historical financial information. The update addresses a range of assurance engagements, including those on internal control effectiveness and sustainability reports.

**Next Steps:** The revised ISAE is effective for assurance engagements in which the date of the assurance report is on or after December 15, 2015.

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

### IAASB Issues New Standard on Using Work of Internal Auditors

**Affects:** All entities and their auditors.

**Summary:** On March 19, 2013, the IAASB issued a revised version of [ISA 610](#) on using work of internal auditors. The revision “includes guidance to external auditors when determining whether they can use direct assistance from internal auditors, and if so, in which areas and to what extent.”

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

## IIA Research Foundation Issues Guide on Implementing Section 404 of the Sarbanes-Oxley Act

**Affects:** Public entities.

**Summary:** On November 1, 2013, the IIA Research Foundation issued a [guide](#) on implementing Section 404 of the Sarbanes-Oxley Act, which contains requirements for performing an internal control assessment. The guide, which has been designed with an entity's management in mind, contains information on topics such as designing a top-down, risk-based assessment; identifying and understanding key controls; and the relationship between Sections 302 and 404 of the Sarbanes-Oxley Act.

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

## IIA Releases Position Paper on Risk Management and Control

**Affects:** All entities.

**Summary:** In January 2013, the IIA released a [position paper](#) that "addresses an escalating challenge in the realm of risk management and control: providing a systematic approach to effectively enhancing communications on risk management and control by clarifying essential roles and duties." The paper "discusses the challenge that often arises as a result of responsibilities spanning across multiple departments and divisions, as well as multiple job functions, such as internal auditors, enterprise risk management specialists, compliance officers, fraud investigators, and other risk and control professionals."

**Other Resources:** For more information, see the [standards and guidance page](#) on the IIA's Web site. ●

## IAESB Revises Requirements on Practical Experience

**Affects:** IFAC member bodies.

**Summary:** On March 13, 2013, the IAESB issued a revised version of [IES 5](#), which emphasizes the importance of practical experience in the development of a professional accountant's competency.

**Next Steps:** The revised standard will become effective on July 1, 2015.

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

## IAESB Revises Entry Requirements for Professional Accounting Education Programs

**Affects:** IFAC member bodies.

**Summary:** On February 7, 2013, the IAESB published a revised version of [IES 1](#), which "prescribes the principles to be used when setting and communicating educational requirements for entry to professional accounting education programs."

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

## IESBA Strengthens *Code of Ethics for Professional Accountants*

**Affects:** Professional accountants.

**Summary:** On March 19, 2013, the IESBA released "strengthened provisions in its *Code of Ethics for Professional Accountants* (the Code) to address conflicts of interest and a breach of a requirement of the Code. It also released amendments to the definition of the term 'engagement team' in the Code."

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

## Governmental Accounting and Auditing Developments

### FASAB

#### FASAB Issues Annual Report for Fiscal Year 2014\*

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

**Summary:** On December 16, 2013, the FASAB issued for public comment its [annual report](#) for the fiscal year that ended on September 30, 2013. The report “highlights the Board’s efforts and accomplishments for fiscal year 2013, provides information about current projects, describes research projects the Board hopes to address soon, and identifies potential projects considered by the Board but not rated a priority.”

**Next Steps:** Comments on the annual report are due by January 31, 2014.

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

#### 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. ●

#### FASAB Issues Statement on Asset Impairment

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

**Summary:** On January 3, 2013, the FASAB issued [Statement 44](#), which requires entities to provide more transparent and comparable information about the effects of impairment related to G-PP&E.

**Next Steps:** Statement 44 is effective for reporting periods beginning after September 30, 2014. Early implementation is encouraged.

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

## GASB

### GASB Issues Statement to Amend Pension Transition Requirements

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

**Summary:** On November 25, 2013, the GASB issued [Statement 71](#), which amends GASB Statement 68 to “require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.” The purpose of the new Statement is to remove “a potential source of understatement of restated beginning net position and expense in a government’s first year of implementing [Statement 68].”

**Next Steps:** Like Statement 68, Statement 71 is effective for fiscal years beginning after June 15, 2014.

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

### FAF Issues Final Policy on Scope of GASB’s Standard-Setting Authority

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

**Summary:** On November 19, 2013, the FAF issued a [final policy](#) establishing a consultation process in which the FAF and GASB will confer, before the GASB creates its technical agenda, to determine whether “information the GASB might consider for standard-setting activity is ‘financial accounting and reporting information’ within the scope of the GASB’s standard-setting mission.” Such information will be classified into one of three groups: Group 1 (in-scope), Group 2 (possibly in-scope but lacking certain in-scope characteristics of information in Group 1), or Group 3 (not in-scope).

The final policy became effective upon issuance.

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

### GASB Releases Toolkit for Government Pension Plans

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

**Summary:** On November 11, 2013, the GASB released a [toolkit](#) to help pension plans implement the guidance in GASB Statement 67. The toolkit includes:

- A video overview by GASB Chairman David A. Vaudt on the most critical implementation issues for pension plans.
- A podcast discussion of Statement 67’s key changes to the accounting and financial reporting for pension plans and the types of plans that will be affected.
- An FAQ on the background of GASB Statements 67 and 68.
- An FAQ fact sheet on Statement 67.
- An article discussing implementation items for entities to consider when applying the new standards.
- A “Setting the Record Straight” document that clarifies “common misperceptions” about the new standards.
- An executive summary and the full text of Statement 67.

GASB Statement 67 is effective for fiscal years beginning after June 15, 2013.

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

## GASB Issues Implementation Guidance on Pension Accounting

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

**Summary:** On June 27, 2013, the GASB issued [implementation guidance](#) to help preparers and auditors adopt [GASB Statement 67](#). According to the GASB's Web site, the implementation guidance addresses the following items:

- "The scope and applicability of [Statement 67]."
- "The classification of pensions as defined benefit or defined contribution."
- "The determination of the number of pension plans that should be reported."
- "The recognition of certain transactions and other events in defined benefit pension plan financial statements."
- "Note disclosures and required supplementary information."
- "The calculation of the net pension liability."

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

## GASB Issues Statement on Nonexchange Financial Guarantees

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

**Summary:** On April 30, 2013, the GASB issued [Statement 70](#), which requires "a state or local government guarantor that offers a nonexchange financial guarantee to another government organization . . . to recognize a liability on its financial statements when it is *more likely than not* that the guarantor will be required to make a payment to the obligation holders under the agreement." In addition, Statement 70 requires:

- "A government guarantor to consider qualitative factors when determining if a payment on its guarantee is *more likely than not* to be required. Such factors may include whether the issuer of the guaranteed obligation is experiencing significant financial difficulty or initiating the process of entering into bankruptcy or financial reorganization."
- "An issuer government that is required to repay a guarantor for guarantee payments made to continue to report a liability unless legally released. When a government is released, the government would recognize revenue as a result of being relieved of the obligation."
- "A government guarantor or issuer to disclose information about the amounts and nature of nonexchange financial guarantees."

Statement 70 is effective for reporting periods beginning after June 15, 2013. Early application is encouraged.

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

## GASB Issues Statement on Government Combinations and Disposals of Government Operations

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

**Summary:** On January 22, 2013, the GASB issued [Statement 69](#), which provides guidance on measurement and reporting of combinations and disposals of government operations.

**Next Steps:** Statement 69 is effective for periods beginning after December 15, 2013, and should be applied prospectively. Early implementation is encouraged.

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

## International

### 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. ●

### IPSASB Publishes First Four Chapters of Public-Sector Conceptual Framework

**Affects:** Public-sector entities and their auditors.

**Summary:** On January 11, 2013, the IPSASB released the first four chapters of its [conceptual framework](#) for public-sector entities. The chapters are as follows:

- Chapter 1, "Role and Authority of the Conceptual Framework."
- Chapter 2, "Objectives and Users of General Purpose Financial Reporting."
- Chapter 3, "Qualitative Characteristics."
- Chapter 4, "Reporting Entity."

**Next Steps:** The remaining chapters will be published when completed.

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

## Regulatory and Compliance Developments

### Financial Institutions

#### FSB Publishes Guidance on Supervising Risk Appetite and Risk Culture at Financial Institutions

**Affects:** Financial institutions.

**Summary:** On November 18, 2013, the FSB issued the following two papers on improving financial institutions' risk management practices:

- [FSB Principles for an Effective Risk Appetite Framework](#) — Establishes "key elements for: (i) an effective risk appetite framework, (ii) an effective risk appetite statement, (iii) risk limits, and (iv) defining the roles and responsibilities of the board of directors and senior management."
- [Increasing the Intensity and Effectiveness of Supervision](#) — Identifies "the foundational elements that contribute to the promotion of a sound risk culture within a financial institution."

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

#### Federal Reserve and Other Government Organizations Issue Guidance on Troubled Debt Restructurings

**Affects:** Financial institutions.

**Summary:** On October 24, 2013, the Federal Reserve, FDIC, NCUA, and OCC issued [supervisory guidance](#) on TDRs for financial institutions. The guidance "reiterates key aspects of previously issued regulatory guidance and discusses the definition of collateral-dependent loans and the circumstances under which a charge-off is required for TDRs."

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

## OCC Publishes Update to Bank Accounting Advisory Series

**Affects:** Banking entities.

**Summary:** On October 10, 2013, the OCC announced the release of an [update](#) to its Bank Accounting Advisory Series (BAAS), which “expresses the office’s current views on accounting topics relevant to national banks and federal savings associations.” The BAAS primarily consists of answers to questions banking entities have asked regarding various U.S. GAAP accounting topics, such as loans, leases, and income taxes.

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

## 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 Implements Volcker Rule\*

**Affects:** SEC registrants.

**Summary:** On December 10, 2013, the SEC, OCC, FDIC, and Federal Reserve jointly issued a [final rule](#) to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (also known as the “Volcker Rule”). The final rule “contains certain prohibitions and restrictions on the ability of a banking entity and nonbank financial company supervised by the [Federal Reserve] to engage in proprietary trading and have certain interests in, or relationships with, a hedge fund or private equity fund.”

**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) aspects 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. ●

## 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 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.)

The final rule became effective on November 12, 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 amends the financial responsibility requirements for broker-dealers. Specifically, the amendments address the “net capital, customer protection, books and records, and notification rules for broker-dealers promulgated under the Securities Exchange Act of 1934.”

The final rule became 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 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. ●

## SEC Issues Final Rules Adopting Revisions to EDGAR Filer Manual

**Affects:** SEC registrants.

**Summary:** On [January 14](#), [May 14](#), and [September 25, 2013](#), the SEC issued final rules adopting revisions to its EDGAR Filer Manual. The January 14 update includes a new EDGAR link and support for PDF as a filing format, the primary objectives of the May revisions are to support the U.S. GAAP 2013 XBRL taxonomy and to implement online application of the new Form 13F, and the goal of the September changes is to "support updates to Form D and to submission form types 13F-HR and 13F-HR/A."

Note that the EDGAR system will no longer accept interactive data files that use the U.S. GAAP 2011 XBRL taxonomy. As noted on the SEC's Web site, the "SEC staff strongly encourages companies to use the most recent version of the [U.S. GAAP taxonomies] for their Interactive Data submissions to take advantage of the most up to date tags related to new accounting standards and other improvements." ●

## SEC Issues FAQs on Conflict Minerals and Disclosures About Payments Made by Resource Extraction Issuers

**Affects:** SEC registrants.

**Summary:** On May 30, 2013, the staff in the SEC's Division of Corporation Finance issued two sets of FAQs on applying the SEC's final rules on (1) conflict minerals ([Final Rule 34-67716](#)) and (2) disclosure of certain payments by resource extraction issuers ([Final Rule 34-67717](#)).

The SEC staff also confirmed that under both final rules, each of which requires registrants to file Form SD if the rule applies to them, a registrant's eligibility to issue securities on Form S-3 is not affected by the Form SD filing requirements (e.g., timeliness of filing). The conflict minerals [FAQs](#) clarify:

- Which registrants are affected by the rule and confirm that an issuer's subsidiary is within the rule's scope.
- Which activities are considered part of the mining process (i.e., not considered "manufacturing" and thus excluded from the rule).
- Certain aspects of the rule's concepts of "necessary to the functionality or production" and contract for manufacture.
- The application of product packaging and the use of tools and equipment in an issuer's manufacturing process.
- Certain Form SD preparation and filing requirements, including filing deadlines for new registrants.

The extraction issuer [FAQs](#) are broadly grouped into the following categories:

- Entities subject to the rule.
- Clarification of the definition of a resource extraction issuer.
- Definition of the term "mineral" as used in the rule.
- Payments subject to the rule.

**Other Resources:** Deloitte's [September 11, 2012](#), and [September 27, 2012](#), *Heads Up* newsletters. ●

## SEC Issues New Compliance and Disclosure Interpretations

**Affects:** SEC registrants.

**Summary:** In 2013, the SEC's Division of Corporation Finance issued new Compliance and Disclosure Interpretations (C&DIs) on various topics, including (1) [Exchange Act Form 8-K](#), (2) [Securities Act rules](#), (3) [Securities Act forms](#), (4) [Securities Act sections](#), (5) [Regulation S-K](#), and (6) [oil and gas rules](#).

One of the more notable C&DIs is Question 110.01 of [Exchange Act Form 8-K](#), which presents the staff's view on the Item 2.06 filing requirements. Specifically, the C&DI clarifies that a registrant would not be required to file an Item 2.06 Form 8-K when its impairment conclusion is coincidental to, but not in connection with, the preparation, review, or audit of financial statements that must be included in its next periodic filing under the Exchange Act. ●

## SEC Clarifies Views Regarding Registrants' Use of Social Media to Communicate Information to Investors

**Affects:** SEC registrants.

**Summary:** On April 2, 2013, the SEC released a [report](#) clarifying that "companies can use social media outlets like Facebook and Twitter to announce key information in compliance with Regulation Fair Disclosure (Regulation FD) so long as investors have been alerted about which social media will be used to disseminate such information."

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

## SEC Approves 2013 PCAOB Budget and Accounting Support Fee

**Summary:** On February 13, 2013, the SEC approved the PCAOB's 2013 budget of \$245.6 million, which is largely funded by a \$234 million accounting support fee. The SEC oversees the PCAOB's budget to ensure that it has sufficient financial resources and uses its funds effectively.

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

## SEC Issues Final Rule on Lost Securityholders and Unresponsive Payees

**Affects:** SEC registrants.

**Summary:** On January 16, 2013, the SEC issued a [final rule](#) on lost securityholders and unresponsive payees. The final rule amends Rule 17Ad-17 of the Securities Exchange Act of 1934 to “extend the requirements of Rule 17Ad-17 to search for lost securityholders from only recordkeeping transfer agents to brokers and dealers as well; add a requirement that ‘paying agents’ notify ‘unresponsive payees’ that a paying agent has sent a securityholder a check that has not yet been negotiated; and add certain other provisions.”

The final rule became effective on March 25, 2013. ●

## International

### Basel Committee Revises Equity Capital Requirements for Banks\*

**Affects:** Banking entities.

**Summary:** On December 13, 2013, the Basel Committee for Banking Supervision issued a [revised policy framework](#) that amends the current equity capital requirements for banks. The revised framework “is based on the general principle that banks should apply a look-through approach to identify the underlying assets whenever investing in funds.”

**Next Steps:** The revised framework will become effective on January 1, 2017.

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

### IIRC Releases Integrated Reporting Framework\*

**Affects:** All entities.

**Summary:** On December 9, 2013, the IIRC released its [framework](#) for integrated reporting. The IIRC’s Web site states that the framework:

[A]pples principles and concepts that are focused on bringing greater cohesion and efficiency to the reporting process, and adopting “integrated thinking” as a way of breaking down internal silos and reducing duplication. It improves the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. Its focus on value creation, and the ‘capitals’ used by the business to create value over time, contributes towards a more financially stable global economy and is a force for sustainability.

Currently, the framework is being tested in more than 20 countries, including 16 of the G-20 nations. ●

### IVSC Issues ED on Valuation Adjustments\*

**Affects:** Entities that perform or rely on valuation adjustments.

**Summary:** On December 2, 2013, the IVSC issued an [ED](#) that would provide guidance on performing credit and debit valuation adjustments under IFRS 13. The guidance’s overall goal is to foster valuation transparency and reduce diversity in practice. Among other things, the ED clarifies terminology related to valuation adjustments and offers best practices for dealing with them.

**Next Steps:** Comments on the ED are due by February 28, 2014.

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

### IFRS Monitoring Board Revises Charter and Memorandum of Understanding With the IFRS Foundation

**Affects:** Entities reporting under IFRSs.

**Summary:** On October 31, 2013, the IFRS Monitoring Board, which oversees the IFRS Foundation, announced the completion of revisions to its [charter](#) as well as to the [memorandum of understanding](#) it has with the foundation.

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

## 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. ●

## Basel Committee Issues Principles for Effective Risk Data Aggregation and Risk Reporting

**Affects:** Banking entities.

**Summary:** On January 9, 2013, the Basel Committee issued a [set of principles](#) whose purpose is "to strengthen banks' risk data aggregation capabilities and internal risk reporting practices."

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

## Basel Committee Revises Basel III's Liquidity Coverage Ratio

**Affects:** Banking entities.

**Summary:** On January 7, 2013, the Basel Committee issued a [revised version](#) of its liquidity coverage ratio. The revision is one of the "key reforms to strengthen global capital and liquidity regulations with the goal of promoting a more resilient banking sector."

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

## IFAC Issues New Practice Guide on Effective Business Reporting Processes

**Affects:** All entities.

**Summary:** On January 17, 2013, IFAC issued a [set of principles](#) that provides guidance on evaluation and implementation of effective business reporting processes.

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

## Appendix A: Significant Adoption Dates and Deadlines

The chart below indicates significant adoption dates and deadline dates for the FASB, EITF, AICPA, SEC, PCAOB, GASB, FASAB, and international 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.

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)	Entities with foreign subsidiaries or foreign investments.	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.
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)	Entities that are jointly and severally liable with other entities.	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.
ASU 2013-03, <i>Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities</i> (issued February 7, 2013)	Nonpublic entities that have total assets of \$100 million or more or that have one or more derivative instruments.	Effective upon issuance.
ASU 2013-02, <i>Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income</i> (issued February 5, 2013)	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.	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.
ASU 2013-01, <i>Clarifying the Scope of Disclosures About Offsetting Assets and Liabilities</i> (issued January 31, 2013)	All entities.	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.
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)	Entities that perform impairment assessments of unamortized film costs.	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.
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)	Entities within the scope of ASC 958 that accept donated financial assets.	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.

ASU 2012-04, <i>Technical Corrections and Improvements</i> (issued October 1, 2012)	All entities.	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.
ASU 2012-01, <i>Continuing Care Retirement Communities — Refundable Advance Fees</i> (issued July 24, 2012)	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.	<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.
ASU 2011-11, <i>Disclosures About Offsetting Assets and Liabilities</i> (issued December 16, 2011)	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.	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.
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)	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.	<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.
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)	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.	Effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective.
<b>Projects in Request-for-Comment Stage</b>		
Proposed ASU, <i>Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements</i> (issued November 7, 2013)	Entities that are development-stage entities under U.S. GAAP. The proposed amendments could also affect the consolidation decisions for a reporting entity that has an interest in an entity that is a development-stage entity.	Comments due December 23, 2013.
Proposed ASU, <i>Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved After the Requisite Service Period</i> — a consensus of the FASB Emerging Issues Task Force (issued October 23, 2013)	Reporting entities that grant their employees share-based payments for which the award's terms stipulate that a performance target could be achieved after the requisite service period.	Comments due December 23, 2013.
Proposed ASU, <i>Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity</i> — a consensus of the FASB Emerging Issues Task Force (issued October 23, 2013)	Reporting entities that are issuers of, or investors in, hybrid financial instruments issued in the form of a share.	Comments due December 23, 2013.
<b>AICPA</b>	<b>Affects</b>	<b>Status</b>
<b>Significant Adoption Dates</b>		
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.
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#### Projects in Request-for-Comment Stage

Proposed SSARS, <i>Framework for Performing and Reporting on Compilation and Review Engagements</i> (issued November 26, 2013)	Auditors of public entities.	Comments due May 2, 2014.
Proposed SSARS, <i>Preparation of Financial Statements, Compilation Engagements, and Association With Financial Statements</i> (issued October 23, 2013)	Auditors of public entities.	Comments due May 2, 2014.

SEC	Affects	Status
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#### Significant Adoption Dates

Final Rule, <i>Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds</i> (BHCA-1) (issued December 10, 2013)	Banking entities.	Effective April 1, 2014.
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 January 13, 2014, except the amendment removing § 249.1300T, which is effective January 1, 2015.
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>Clearing Agency Standards</i> (34-68080) (issued October 22, 2012)	SEC registrants.	Effective January 2, 2013.
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.

#### Projects in Request-for-Comment Stage

Proposed Rule, <i>Crowdfunding</i> (33-9470) (issued October 22, 2013)	SEC registrants.	Comments due February 3, 2014.
<i>Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies and Request for Comment</i> (34-70731 and 34-71134) (issued October 23, 2013)	SEC registrants.	Comments due February 7, 2014 (comment deadline extended).
Proposed Rule, <i>Proposed Rule Amendments for Small and Additional Issues Exemptions Under Section 3(b) of the Securities Act</i> (33-9497) (issued December 18, 2013)	SEC registrants.	Comments due 60 days after the date of publication in the <i>Federal Register</i> .

#### PCAOB

#### Affects

#### Status

#### Significant Adoption Dates

Auditing Standard 17, <i>Auditing Supplemental Information Accompanying Audited Financial Statements</i> (issued October 10, 2013)	Auditors of public entities.	Effective, pending SEC approval, for audit procedures and reports on supplemental information that accompany financial statements for fiscal years ending on or after June 1, 2014.
Attestation Standards, <i>Examination Engagements Regarding Compliance Reports of Brokers and Dealers</i> , and <i>Review Engagements Regarding Exemption Reports of Brokers and Dealers</i> (issued October 10, 2013)	Independent public accountants of brokers and dealers.	Effective, pending SEC approval, for examination engagements and review engagements for fiscal years ending on or after June 1, 2014.
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.

#### Project in Request-for-Comment Stage

Proposal, <i>Improving the Transparency of Audits: Proposed Amendments to PCAOB Auditing Standards to Provide Disclosure in the Auditor's Report of Certain Participants in the Audit</i> (issued December 4, 2013)	Auditors of public entities.	Comments due February 3, 2014.
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#### GASB

#### Affects

#### Status

#### Significant Adoption Dates

Statement 71, <i>Pension Transition for Contributions Made Subsequent to the Measurement Date</i> (issued November 25, 2013)	Governmental entities.	Effective for fiscal years beginning after June 15, 2014.
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.
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.
IASB/IFRIC	Affects	Status
<b>Significant Adoption Dates</b>		
<i>Annual Improvements to IFRSs: 2011–2013 Cycle</i> (issued December 12, 2013)	Entities reporting under IFRSs.	Varies for each IFRS being affected.
<i>Annual Improvements to IFRSs: 2010–2012 Cycle</i> (issued December 12, 2013)	Entities reporting under IFRSs.	Varies for each IFRS being affected.
<i>Defined Benefit Plans: Employee Contributions</i> — amendments to IAS 19 (issued November 21, 2013)	Entities reporting under IFRSs.	Effective for annual periods beginning on or after July 1, 2014. Earlier application is permitted.
<i>IFRS 9 Financial Instruments (Hedge Accounting and Amendments to IFRS 9, IFRS 7 and IAS 39)</i> (issued November 19, 2013)	Entities reporting under IFRSs.	No mandatory effective date. An entity may adopt the standard immediately.
<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>Leases</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.	No mandatory effective date. An entity may adopt the standard immediately.
IFRS 9, <i>Financial Instruments</i> (issued November 9, 2009)	Entities reporting under IFRSs.	No mandatory effective date. An entity may adopt the standard immediately.
<b>Projects in Request-for-Comment Stage</b>		
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.

IASB Exposure Draft ED/2013/10, <i>Equity Method in Separate Financial Statements</i> — proposed amendments to IAS 27 (issued December 2, 2013)	Entities reporting under IFRSs.	Comments due February 3, 2014.
IASB Exposure Draft ED/2013/9, <i>IFRS for SMEs — Proposed Amendments to the International Financial Reporting Standard for Small and Medium-Sized Entities</i> (issued October 3, 2013)	Entities reporting under IFRSs.	Comments due March 3, 2014.
IASB Exposure Draft ED/2013/11, <i>Annual Improvements to IFRSs: 2012–2014 Cycle</i> (issued December 11, 2013)	Entities reporting under IFRSs.	Comments due March 13, 2014.

## Appendix B: Glossary of Standards

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 Task 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 Task 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. 2013-08, *Testing Goodwill for Impairment*

FASB Accounting Standards Update No. 2013-07, *Liquidation Basis of Accounting*

FASB Accounting Standards Update No. 2013-06, *Services Received From Personnel of an Affiliate* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2013-05, *Presentation of Comprehensive Income*

FASB Accounting Standards Update No. 2013-04, *Obligations Resulting From Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date* — a consensus of the FASB Emerging Issues Task Force

FASB Accounting Standards Update No. 2013-03, *Financial Instruments (Topic 825): Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities*

FASB Accounting Standards Update No. 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*

FASB Accounting Standards Update No. 2013-01, *Clarifying the Scope of Disclosures About Offsetting Assets and Liabilities*

FASB Accounting Standards Update No. 2011-11, *Disclosures About Offsetting Assets and Liabilities*

FASB Accounting Standards Update No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*

FASB Accounting Standards Update No. 2010-10, *Consolidation (Topic 810): Amendments for Certain Investment Funds*

FASB Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*

FASB Proposed Accounting Standards Update, *Revenue From Contracts With Customers*

FASB Accounting Standards Codification Topic 946, *Financial Services — Investment Companies*

FASB Accounting Standards Codification Topic 850, *Related Party Disclosures*

FASB Accounting Standards Codification Topic 825, *Financial Instruments*

FASB Accounting Standards Codification Topic 820, *Fair Value Measurement*

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

FASB Accounting Standards Codification Topic 810, *Consolidation*

FASB Accounting Standards Codification Topic 740, *Income Taxes*

FASB Accounting Standards Codification Topic 270, *Interim Reporting*

FASB Accounting Standards Codification Subtopic 958-605, *Not-for-Profit Entities: Revenue Recognition*

FASB Accounting Standards Codification Subtopic 470-40, *Debt: Product Financing Arrangements*

FASB Accounting Standards Codification Subtopic 360-20, *Property, Plant, and Equipment: Real Estate Sales*

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## Appendix C: Abbreviations

<b>AICPA</b>	American Institute of Certified Public Accountants	<b>IES</b>	International Education Standard
<b>AOCI</b>	accumulated other comprehensive income	<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>ASAF</b>	Accounting Standards Advisory Forum	<b>IFAC</b>	International Federation of Accountants
<b>ASC</b>	FASB Accounting Standards Codification	<b>IFRIC</b>	International Financial Reporting Interpretations Committee
<b>ASU</b>	FASB Accounting Standards Update	<b>IFRS</b>	International Financial Reporting Standard
<b>AT</b>	U.S. Attestation Standards	<b>IIA</b>	Institute of Internal Auditors
<b>AU-C</b>	U.S. Clarified Auditing Standards	<b>IIRC</b>	International Integrated Reporting Council
<b>BAAS</b>	Banking Accounting Advisory Series	<b>IOSCO</b>	International Organization of Securities Commissions
<b>BIS</b>	Bank for International Settlements	<b>IPSASB</b>	International Public Sector Accounting Standards Board
<b>C&amp;DIs</b>	Compliance and Disclosure Interpretations	<b>ISA</b>	International Standard on Auditing
<b>CAQ</b>	Center for Audit Quality	<b>ISAE</b>	International Standard on Assurance Engagements
<b>CCP</b>	central counterparty	<b>IT</b>	information technology
<b>COSO</b>	Committee of Sponsoring Organizations of the Treadway Commission	<b>IVSC</b>	International Valuation Standards Council
<b>CPA</b>	certified public accountant	<b>JOBS</b>	Jumpstart Our Business Startups
<b>CTA</b>	cumulative translation adjustment	<b>LIBOR</b>	London Interbank Offered Rate
<b>DEA</b>	designated examining authority	<b>NCUA</b>	National Credit Union Administration
<b>DOL</b>	Department of Labor	<b>NFP</b>	not-for-profit entity
<b>DP</b>	discussion paper	<b>NOL</b>	net operating loss
<b>DTA</b>	deferred tax asset	<b>OCA</b>	Office of the Chief Accountant
<b>ED</b>	exposure draft	<b>OCC</b>	Office of the Comptroller of the Currency
<b>EDGAR</b>	Electronic Data Gathering, Analysis, and Retrieval	<b>OCI</b>	other comprehensive income
<b>EITF</b>	Emerging Issues Task Force	<b>PCAOB</b>	Public Company Accounting Oversight Board
<b>FAF</b>	Financial Accounting Foundation	<b>PCC</b>	Private Company Council
<b>FAQs</b>	frequently asked questions	<b>PIR</b>	post-implementation review
<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>FSB</b>	Financial Stability Board	<b>SAG</b>	Standing Advisory Group
<b>G20</b>	Group of Twenty	<b>SAS</b>	Statement on Auditing Standards
<b>GAAP</b>	generally accepted accounting principles	<b>SEC</b>	Securities and Exchange Commission
<b>GAAS</b>	generally accepted auditing standards	<b>SMEs</b>	small and medium-sized entities
<b>GASB</b>	Governmental Accounting Standards Board	<b>SOP</b>	Statement of Position
<b>G-PP&amp;E</b>	general property, plant, and equipment	<b>TDR</b>	troubled debt restructuring
<b>IAASB</b>	International Auditing and Assurance Standards Board	<b>TIS</b>	Technical Inquiry Service
<b>IAESB</b>	International Accounting Education Standards Board	<b>UTB</b>	unrecognized tax benefit
<b>IAS</b>	International Accounting Standard	<b>XBRL</b>	eXtensible Business Reporting Language
<b>IASB</b>	International Accounting Standards Board		
<b>ICFR</b>	internal control over financial reporting		

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