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Quarterly Accounting Roundup

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To our clients, colleagues, and other friends:

Welcome to *Quarterly Accounting Roundup: Year in Review — 2020*. Dominating the accounting and financial reporting headlines in 2020 was the pandemic caused by coronavirus disease 2019 (“COVID-19”), which has significantly affected the U.S. and global economies and financial markets and created unprecedented challenges for many organizations. For example, many entities in the travel, hospitality, leisure, and retail industries have seen sharp declines in revenues due to regulatory and organizational mandates (e.g., “shelter-in-place” mandates, school closures) and voluntary changes in consumer behavior (e.g., “social distancing”). To help the nation respond to the pandemic, the U.S. Congress has passed a series of laws (see [article](#) below for details). In addition, the SEC has released over 50 different statements, orders, and interpretations in response to the COVID-19 crisis.

In other accounting and financial reporting news, the FASB released a number of Accounting Standards Updates (ASUs) during 2020, including those that:

- Address issues related to reference rate reform.
- Simplify the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity.
- Clarify the interactions between the accounting for investments in equity securities, equity method investments, and certain equity securities.
- Defer the effective dates of the Board's revenue and leasing standards for certain entities.

- Delay the effective date of the guidance on long-duration insurance contracts.
- Require not-for-profit (NFP) entities to (1) “present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets,” and (2) disclose contributed nonfinancial assets.
- Make certain Codification improvements.

In addition to its response to the COVID-19 pandemic, the SEC issued various final rules this year, including those that (1) modernize certain financial disclosure requirements in Regulation S-K, (2) amend the shareholder proposal rule, (3) update the disclosure requirements for banking registrants, (4) improve financial disclosure requirements related to acquisitions and dispositions of businesses, (5) expand qualifications for nonaccelerated filer status, and (6) simplify the disclosure requirements related to guarantors and collateralizations of securities.

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. Although the event was fully virtual this year in light of the COVID-19 pandemic, it was no less informative. While the pandemic’s effects were a theme at this year’s conference, much of the conversation stayed grounded in topics that are typically top-of-mind to stakeholders: (1) implementation and application of complex accounting standards; (2) the potential impact of reference rate reform; (3) SEC reporting matters and rulemaking; (4) audit-related topics, including audit quality, auditor independence, and critical audit matters (CAMs); and (5) environmental, social, and governance practices and disclosures.

For more information about the conference, see Deloitte’s December 13, 2020, [Heads Up](#).

On the international front, the IASB released a package of amendments as part of the second and final phase of its project on interest rate benchmark reform. The IASB also published narrow-scope amendments to its new insurance contracts standard.

Note that *Quarterly Accounting Roundup: Year in Review — 2020* summarizes final guidance that affects reporting and disclosures for the coming reporting season. With the exception of fourth-quarter developments, proposed guidance is not included. For more information about earlier proposals, please see issues of [Quarterly Accounting Roundup](#) for the first three quarters of 2020.

In addition, note that in this year-end edition, an asterisk in the article title denotes events that occurred in the fourth quarter, including updates to previously reported topics, or that were not addressed in previous 2020 issues of *Quarterly Accounting Roundup*. Events without asterisks were covered in previous issues.

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

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

Featured Deloitte Publications

In the fourth quarter of 2020, Deloitte issued the following new or updated Roadmaps:

- [*A Roadmap to the Accounting for Transfers and Servicing of Financial Assets*](#) (new) — Provides an overview of the FASB's authoritative guidance, as well as our insights and interpretations, on (1) the transferor's and transferee's accounting for a transfer of financial assets or servicing rights and (2) the servicer's accounting for a right or obligation to service financial assets.
- [*A Roadmap to the Issuer's Accounting for Debt*](#) (new) — Provides an overview of the FASB's authoritative guidance on the issuer's accounting for debt arrangements as well as Deloitte's insights into and interpretations of how to apply that guidance in practice.
- [*A Roadmap to Accounting for Income Taxes*](#) — Provides Deloitte's insights into and interpretations of the income tax accounting guidance in ASC 740.¹ The 2020 edition reflects ASUs issued by the FASB through October 31, 2020, and includes new and clarified guidance as well as pending content from recently issued ASUs.
- [*A Roadmap to Applying the New Revenue Recognition Standard*](#) — Provides Deloitte's insights into and interpretations of the guidance in ASC 606 on revenue from contracts with customers, the cost guidance in ASC 340-40, and the guidance in ASC 610-20 on gains and losses related to transfers of nonfinancial and in-substance nonfinancial assets to noncustomers. The 2020 edition includes new guidance and examples that reflect recent standard-setting and SEC developments. In addition, much of the Roadmap's content has been reorganized (e.g., by reformatting the Q&As of last year's edition as narrative text) to make it more user-friendly.
- [*A Roadmap to Accounting for Current Expected Credit Losses*](#) — Helps readers navigate some of the more challenging aspects of the FASB's new credit losses standard. The Roadmap combines the requirements in ASC 326 with Deloitte's interpretations and examples in a comprehensive, reader-friendly format.
- [*A Roadmap to Accounting for Share-Based Payment Awards*](#) — Provides Deloitte's insights into and interpretations of the guidance on share-based payment arrangements in ASC 718 (employee and nonemployee awards) and ASC 505-50 (nonemployee awards before the adoption of ASU 2018-07) as well as in other literature (e.g., ASC 260 and ASC 805).
- [*A Roadmap to SEC Comment Letter Considerations, Including Industry Insights*](#) — Contains extracts of frequently issued SEC staff comments, analysis of those extracts, and links to resources that are relevant to SEC filers. Other features include (1) an update on the SEC's priorities; (2) a summary of comment letter trends related to the top 10 topics of frequent comment in the 12-month period ended July 31, 2020; and (3) topics of focus related to disclosures associated with financial statement accounting, SEC reporting, initial public offerings, foreign private issuers, and industry-specific matters.
- [*A Roadmap to Accounting for Business Combinations*](#) — Provides Deloitte's insights into and interpretations of the guidance in ASC 805 on business combinations, pushdown accounting, common-control transactions, and asset acquisitions as well as an overview of related SEC reporting requirements. The Roadmap reflects guidance issued through November 25, 2020, and discusses several active FASB projects that may result in changes to current requirements.

¹ For titles of FASB Accounting Standards Codification (ASC) references, see Deloitte's "[Titles of Topics and Subtopics in the FASB Accounting Standards Codification](#)."

- [*A Roadmap to Accounting for Equity Method Investments and Joint Ventures*](#) — Provides Deloitte's insights into and interpretations of the guidance on accounting for equity method investments and joint ventures.
- [*A Roadmap to Comparing IFRS Standards and U.S. GAAP: Bridging the Differences*](#) — Explores some of the key differences between IFRS® Standards and U.S. GAAP that are effective as of January 1, 2021, for public business entities (PBEs) with a calendar-year annual reporting period. Although this Roadmap does not reflect all differences between the two sets of standards, it focuses on differences that are commonly encountered in practice.
- [*A Roadmap to SEC Reporting Considerations for Equity Method Investees*](#) — Combines the SEC's guidance on reporting for equity method investments with Deloitte's interpretations (Q&As) and examples in a comprehensive, reader-friendly format. The 2020 edition reflects the SEC's May 2020 final rule that amends the financial statement requirements for acquisitions and dispositions of businesses, including real estate operations, and related pro forma financial information. The final rule modifies certain aspects of the significance tests in Regulation S-X, Rule 1-02(w), which registrants use to determine their requirements related to financial statements or financial information for equity method investments under Regulation S-X, Rules 3-09, 4-08(g), and 10-01(b)(1).
- [*A Roadmap to Accounting for Contingencies, Loss Recoveries, and Guarantees*](#) — Provides Deloitte's insights into and interpretations of the accounting guidance in ASC 450 on loss contingencies, gain contingencies, and loss recoveries. In addition, the 2020 edition of this publication contains a new chapter on the accounting guidance in ASC 460 on guarantees.
- [*A Roadmap to Impairments and Disposals of Long-Lived Assets and Discontinued Operations*](#) — Provides Deloitte's insights into the guidance in ASC 360-10 and ASC 205-20 on impairments and disposals of long-lived assets and presentation of discontinued operations. This publication represents a replacement of the 2019 publication *A Roadmap to Disposals of Long-Lived Assets and Discontinued Operations* and has been expanded to address the accounting for long-lived assets while classified as held and used.

Further, Deloitte released a number of publications in response to the ongoing COVID-19 pandemic during 2020. These publications include the following:

- September 11, 2020, [*Financial Reporting Alert*](#) — Takes a strategic look at the COVID-19-related financial reporting and accounting challenges that are top of mind for many companies as well as trending and ongoing issues. This publication also provides insights into different alternatives companies are pursuing in response to the challenges.
- July 22, 2020, [*Heads Up*](#) — Summarizes the disclosure trends we observed in our review of public filings of a sample of companies that adopted the new current expected credit losses (CECL) standard as of the first quarter of 2020, including disclosure trends related to the COVID-19 pandemic.
- July 1, 2020, [*Financial Reporting Alert*](#) — Discusses considerations related to registrants' reflecting specific impacts of COVID-19 in their non-GAAP measures. Specific topics addressed include (1) important disclosures associated with the presentation of non-GAAP measures, (2) alternatives to non-GAAP measures, (3) disclosure controls and procedures related to non-GAAP measures, and (4) considerations related to income statement classification.
- June 5, 2020, [*Financial Reporting Alert*](#) — Discusses the accounting for the COVID-19 pandemic in the second quarter.

- May 7, 2020 (updated May 15, 2020), [Heads Up](#) — Addresses accounting and financial reporting considerations related to forgivable loans received by business entities under the Coronavirus Aid, Relief, and Economic Security Act's (the "CARES Act's") Paycheck Protection Program (PPP).
- April 15, 2020 (last updated July 8, 2020), [Heads Up](#) — Contains FAQs on troubled debt restructurings under the CARES Act.
- April 9, 2020 (last updated September 18, 2020), [Heads Up](#) — Discusses key aspects of the CARES Act, which provides \$2.2 trillion of economy-wide financial stimulus in the form of financial aid to individuals, businesses, nonprofits, states, and municipalities. The publication has been updated to address disclosure considerations related to the effects of the COVID-19 pandemic and certain provisions of the CARES Act on an entity's financial reporting.
- March 25, 2020 (last updated September 18, 2020), [Financial Reporting Alert](#) — Discusses certain key accounting and financial reporting considerations related to conditions that may result from the COVID-19 pandemic as well as various industry-specific considerations. This publication was updated on September 18, 2020, to discuss disclosure considerations related to the pandemic as well as on July 8, 2020, to reflect (1) the AICPA's issuance of a [technical Q&A](#) on the recognition of interest income and (2) the International Swaps and Derivatives Association's [preclearance consultation](#) with the SEC staff.
- March 5, 2020, [Financial Reporting Alert](#) — Discusses certain key accounting, disclosure, and internal control considerations related to conditions that may arise as a result of COVID-19.

Accounting — Newly Effective Standards for Public Business Entities

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Codification Improvements

FASB ASU 2020-10 Makes Improvements to Codification*

Affects: All entities.

Summary: The FASB issued [ASU 2020-10](#)² on October 29, 2020. The ASU (1) situates all disclosure guidance within the appropriate disclosure section of the Codification and (2) makes other improvements and technical corrections to the Codification.

Next Steps: For PBEs, the ASU's amendments are effective for annual periods beginning after December 15, 2020, and interim periods therein. For entities other than PBEs, the ASU's amendments are effective for annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022. PBEs are permitted to early adopt the ASU's amendments "for any annual or interim period for which financial statements have not been issued," while all other entities can early adopt the amendments "for any annual or interim period for which financial statements are available to be issued." Entities should apply the amendments retrospectively.

FASB ASU 2020-08 Improves Codification Guidance Related to Nonrefundable Fees and Other Costs*

Affects: All entities.

Summary: ASC 310-20-25-33 (as amended by [ASU 2017-08](#)³) requires premiums on certain purchased callable debt securities to be amortized to the earliest call date. The FASB issued [ASU 2020-08](#)⁴ on October 15, 2020, to clarify that "an entity should reevaluate whether a callable debt security is within the scope of paragraph 310-20-35-33 for each reporting period."

Next Steps: For PBEs, the ASU's amendments are effective for fiscal years beginning after December 15, 2020, and interim periods therein. For entities other than PBEs, the ASU's amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. PBEs are not permitted to early adopt the amendments; all other entities are permitted to early adopt the amendments for fiscal years beginning after December 15, 2020, and interim periods therein. The amendments should be applied prospectively "as of the beginning of the period of adoption for existing or newly purchased callable debt securities."

² FASB Accounting Standards Update No. 2020-10, *Codification Improvements*.

³ FASB Accounting Standards Update No. 2017-08, *Premium Amortization on Purchased Callable Debt Securities*.

⁴ FASB Accounting Standards Update No. 2020-08, *Codification Improvements to Subtopic 310-20, Receivables — Nonrefundable Fees and Other Costs*.

Financial Instruments

FASB ASU 2020-01 Clarifies the Interactions Between the Accounting for Investments in Equity Securities, Equity Method Investments, and Certain Derivative Instruments

Affects: All entities.

Summary: The FASB issued [ASU 2020-01](#)⁵ on January 16, 2020, in response to an EITF consensus. The ASU makes improvements related to the following two topics:

- *Accounting for certain equity securities when the equity method of accounting is applied or discontinued* — The ASU clarifies that “an entity should consider observable transactions that require it to either apply or discontinue the equity method of accounting for the purposes of applying the measurement alternative in accordance with Topic 321 immediately before applying or upon discontinuing the equity method.”
- *Scope considerations related to forward contracts and purchased options on certain securities* — The ASU clarifies that “for the purpose of applying paragraph 815-10-15-141(a) an entity should not consider whether, upon the settlement of the forward contract or exercise of the purchased option, individually or with existing investments, the underlying securities would be accounted for under the equity method in Topic 323 or the fair value option in accordance with the financial instruments guidance in Topic 825.”

Next Steps: The amendments in the ASU are effective for PBEs for fiscal years beginning after December 15, 2020, and interim periods therein. For entities other than PBEs, the ASU's amendments are effective for fiscal years beginning after December 15, 2021, and interim periods therein. PBEs are permitted to early adopt the amendments (including in interim periods) for periods for which they have not yet issued financial statements, while early adoption is permitted for entities other than PBEs when their financial statements have not yet been made available for issuance. The amendments should be applied prospectively.

Other Resources: Deloitte's November 2019 [EITF Snapshot](#). Also see the [press release](#) on the FASB's Web site.

Income Taxes

FASB ASU 2019-12 Simplifies Income Tax Accounting

Affects: All entities.

Summary: The FASB issued [ASU 2019-12](#)⁶ on December 18, 2019, to simplify the accounting for income taxes under ASC 740. The ASU's amendments are based on changes that were suggested by stakeholders as part of the FASB's simplification initiative (i.e., the Board's effort to reduce the complexity of accounting standards while maintaining or enhancing the helpfulness of information provided to financial statement users). Topics addressed by the ASU's amendments include the following:

- Hybrid tax regimes.
- Tax basis step-up in goodwill obtained in a transaction that is not a business combination.
- Separate financial statements of legal entities not subject to tax.
- Intraperiod tax allocation exception to incremental approach.

⁵ FASB Accounting Standards Update No. 2020-01, *Clarifying the Interactions Between Topic 321, Topic 323, and Topic 815* — a consensus of the FASB Emerging Issues Task Force.

⁶ FASB Accounting Standards Update No. 2019-12, *Simplifying the Accounting for Income Taxes*.

- Ownership changes in investments — changes from a subsidiary to an equity method investment.
- Ownership changes in investments — changes from an equity method investment to a subsidiary.
- Interim-period accounting for enacted changes in tax law.
- Year-to-date loss limitation in interim-period tax accounting.

Next Steps: The amendments in the ASU are effective for PBEs for fiscal years beginning after December 15, 2020, and interim periods therein. For entities other than PBEs, the ASU's amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. PBEs are permitted to early adopt the amendments (including in interim periods) for periods for which they have not yet issued financial statements, while early adoption is permitted for entities other than PBEs when their financial statements have not yet been made available for issuance. The amendments should be applied prospectively.

Other Resources: Deloitte's December 19, 2019, [Heads Up](#). Also see the [press release](#) on the FASB's Web site.

Pensions

FASB ASU 2018-14 Amends Guidance on Disclosures Related to Defined Benefit Plans

Affects: All entities.

Summary: The FASB issued [ASU 2018-14](#)⁷ on August 28, 2018, to improve "the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans." Specifically, the amendments "remove disclosures that no longer are considered cost beneficial, clarify the specific requirements of disclosures, and add disclosure requirements identified as relevant."

Next Steps: For PBEs, the ASU's amendments are effective for fiscal years ending after December 15, 2020. For all other entities, the amendments are effective for fiscal years ending after December 15, 2021. All entities are permitted to early adopt the amendments.

Other Resources: Deloitte's August 29, 2020, [Heads Up](#). Also see the [press release](#) on the FASB's Web site.

Reference Rate Reform

FASB ASU 2020-04 on Transition Away From Interbank Offered Rates

Affects: All entities.

Summary: The FASB issued [ASU 2020-04](#)⁸ on March 12, 2020, to provide "optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued."

Next Steps: The ASU is effective for all entities as of March 12, 2020, and will apply through December 31, 2022.

Other Resources: Deloitte's March 23, 2020, [Heads Up](#). Also see the [press release](#) and [FASB in Focus](#) newsletter on the FASB's Web site.

⁷ FASB Accounting Standards Update No. 2018-14, *Disclosure Framework — Changes to the Disclosure Requirements for Defined Benefit Plans*.

⁸ FASB Accounting Standards Update No. 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*.

International

IASB Completion of Phase 2 of Project on Interest Rate Benchmark Reform

Affects: Entities reporting under IFRS Standards.

Summary: The IASB released a package of amendments⁹ on August 27, 2020, as part of the second and final phase of its project on interest rate benchmark reform. The amendments address issues that might affect financial reporting in connection with the transition of interest rate benchmarks to alternative benchmark rates.

Next Steps: The amendments are effective for annual periods beginning on or after January 1, 2021, and should be applied retrospectively. Early application is permitted.

Other Resources: Deloitte's September 2, 2020, [IFRS in Focus](#). Also see the [press release](#) on the IASB's Web site.

⁹ IASB Amendments, *Interest Rate Benchmark Reform — Phase 2* — amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16.

Accounting — Newly Issued Standards

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Effective Dates

FASB Issues ASU Providing Limited Effective-Date Delays for Guidance on Revenue and Leases

Affects: Private companies and NFP entities.

Summary: On June 3, 2020, the FASB issued [ASU 2020-05](#),¹⁰ which amends the effective dates of the Board's standards on revenue (ASC 606) and leasing (ASC 842) to give immediate relief to certain entities as a result of the widespread adverse economic effects and business disruptions caused by the COVID-19 pandemic. Specifically, the Board deferred the effective dates of (1) ASC 606 for private companies and private NFP entities and (2) ASC 842 for private companies, private NFP entities, and public NFP entities. The deferrals apply only if those entities have not yet issued their financial statements (or made their financial statements available for issuance) as of June 3, 2020.

While the Board acknowledged that it will continue to evaluate the effective dates of its other standards, the ASC 606 and ASC 842 deferrals were a top priority given the upcoming adoption deadlines for private entities and public NFP entities.

Next Steps: For information about effective date and transition, see [Appendix A](#).

Other Resources: Deloitte's June 3, 2020, [Heads Up](#). Also see the [press release](#) on the FASB's Web site.

Financial Instruments

FASB Simplifies Issuer's Accounting for Convertible Instruments and Contracts on an Entity's Own Equity

Affects: All entities.

Summary: On August 5, 2020, the FASB issued [ASU 2020-06](#),¹¹ which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. Specifically, the ASU "simplifies accounting for convertible instruments by removing major separation models required under current Generally Accepted Accounting Principles (GAAP)." In addition, the ASU "removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it" and "simplifies the diluted earnings per share (EPS) calculation in certain areas."

Next Steps: For information about effective date and transition, see [Appendix A](#).

Other Resources: Deloitte's August 5, 2020, [Heads Up](#). Also see the [press release](#) and [FASB in Focus](#) newsletter on the FASB's Web site.

¹⁰ FASB Accounting Standards Update No. 2020-05, *Revenue From Contracts With Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*.

¹¹ FASB Accounting Standards Update No. 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*.

FASB Improves Guidance on Financial Instruments

Affects: All entities.

Summary: On March 9, 2020, the FASB issued [ASU 2020-03](#),¹² which makes narrow-scope amendments related to the following topics:

- Fair value option disclosures.
- Applicability of the portfolio exception in ASC 820 to nonfinancial items.
- Disclosures for depository and lending institutions.
- Cross-reference to guidance in ASC 470-50 on line-of-credit or revolving-debt arrangements.
- Cross-reference to net asset value practical expedient in ASC 820-10.
- Interaction between ASC 842 and ASC 326.
- Interaction between ASC 326 and ASC 860-20.

Next Steps: For information about effective date and transition, see [Appendix A](#).

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

Insurance

FASB Delays Guidance on Long-Duration Insurance Contracts*

Affects: Insurance entities.

Summary: On November 5, 2020, the FASB issued [ASU 2020-11](#),¹³ which (1) permits insurance companies to take an additional year to implement the guidance on long-duration insurance contracts in [ASU 2018-12](#) and (2) reduces cost and complexity for early adopters.

Next Steps: For information about effective date and transition, see [Appendix A](#).

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

Nonfinancial Assets

FASB Issues Guidance on Not-for-Profit Entities' Presentation of and Disclosures About Contributed Financial Assets

Affects: NFP entities.

Summary: On September 17, 2020, the FASB issued [ASU 2020-07](#),¹⁴ which requires NFP entities to (1) "present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets," and (2) disclose contributed nonfinancial assets. The objective of the ASU is to "improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for [NFP] organizations."

Next Steps: The ASU is effective retrospectively for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted.

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

¹² FASB Accounting Standards Update No. 2020-03, *Codification Improvements to Financial Instruments*.

¹³ FASB Accounting Standards Update No. 2020-11, *Financial Services — Insurance (Topic 944): Effective Date and Early Application*.

¹⁴ FASB Accounting Standards Update No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*.

International

IASB Publishes Narrow-Scope Amendments to Insurance Contracts Standard

Affects: Entities reporting under IFRS Standards.

Summary: On June 25, 2020, the IASB published amendments to its new insurance contracts standard, IFRS 17,¹⁵ to address concerns and implementation challenges that were identified after the standard was released in 2017. Among other changes, the amendments defer the effective date of IFRS 17 by two years.

Next Steps: IFRS 17 is now effective for annual periods beginning on or after January 1, 2023, and should be applied retrospectively. Early application is permitted.

Other Resources: Deloitte's June 29, 2020, [IFRS in Focus](#). Also see the [press release](#) on the IASB's Web site.

IASB Amends Leasing Standard to Help Lessees Account for Rent Concessions Associated With COVID-19

Affects: Entities reporting under IFRS Standards.

Summary: On May 28, 2020, the IASB released an amendment¹⁶ to IFRS 16¹⁷ to facilitate a lessee's accounting for rent concessions related to COVID-19 (e.g., rent holidays, temporary rent reductions). Specifically, the amendment "exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications."

Next Steps: The amendment is effective for rent concessions related to COVID-19 that decrease rent payments due on or before June 30, 2021.

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

IASB Makes Minor Amendments to Certain IFRS Standards

Affects: Entities reporting under IFRS Standards.

Summary: On May 14, 2020, the IASB released a package of amendments that make minor clarifications and other corrections to the following IFRS Standards:

- IFRS 3¹⁸ — A reference to the IASB's conceptual framework is being updated; no changes are being made to the accounting requirements for business combinations.
- IAS 16¹⁹ — These amendments "prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss."
- IAS 37²⁰ — Clarification of the "costs a company includes when assessing whether a contract will be loss-making."

In addition, the IASB made minor changes to certain IFRS Standards as part of its annual improvements process.

¹⁵ IFRS 17, *Insurance Contracts*.

¹⁶ IASB Amendments, *COVID-19-Related Rent Concessions* — amendment to IFRS 16.

¹⁷ IFRS 16, *Leases*.

¹⁸ IFRS 3, *Business Combinations*.

¹⁹ IAS 16, *Property, Plant and Equipment*.

²⁰ IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Next Steps: All of the amendments will become effective on January 1, 2022.

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

IASB Publishes Amendments to IAS 1

Affects: Entities reporting under IFRS Standards.

Summary: On January 23, 2020, the IASB issued amendments to IAS 1²¹ that “aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.” The amendments clarify — but do not change — existing requirements and are not expected to significantly affect companies' financial statements.

Further, on July 15, 2020, the IASB published additional amendments²² that defer the aforementioned amendments to IAS 1 by one year. The purpose of the deferral is to give companies additional time to “implement any classification changes” that could result from the January 2020 amendments.

Next Steps: The amendments to IAS 1 are now effective for annual reporting periods beginning after January 1, 2023 (the original effective date was January 1, 2022). Early application is permitted.

Other Resources: Deloitte's [January 29, 2020](#), and [July 22, 2020](#), *IFRS in Focus* newsletters. Also see the [January 23, 2020](#), and [July 15, 2020](#), press releases on the IASB's Web site.

²¹ IAS 1, *Presentation of Financial Statements*.

²² IASB Amendments, *Classification of Liabilities as Current or Non-Current — Deferral of Effective Date* — amendment to IAS 1.

Accounting — Exposure Drafts

In This Section

- Financial Instruments
 - [FASB Proposes Amendments to Issuer's Accounting for Modifications or Exchanges of Freestanding Equity-Classified Forwards and Options*](#)
- Leases
 - [FASB Proposes Targeted Improvements to Leasing Guidance*](#)
- Reference Rate Reform
 - [FASB Proposes Scope Amendments to Guidance on Reference Rate Reform*](#)
- International
 - [IASB Proposes Improvements to the Accounting for Sale-and-Leaseback Transactions*](#)

Financial Instruments

FASB Proposes Amendments to Issuer's Accounting for Modifications or Exchanges of Freestanding Equity-Classified Forwards and Options*

Affects: All entities.

Summary: On October 26, 2020, the FASB issued a [proposed ASU](#)²³ on the issuer's accounting for certain modifications or exchanges of freestanding equity-classified forwards and options. The proposed ASU is based on the EITF's consensus-for-exposure on Issue 19-C and would provide a "principles-based framework to determine whether an issuer would recognize the modification or exchange as an adjustment to equity or an expense."

Next Steps: Comments on the proposed ASU are due by December 28, 2020.

Other Resources: Deloitte's September 2020 [EITF Snapshot](#). Also see the [press release](#) on the FASB's Web site.

Leases

FASB Proposes Targeted Improvements to Leasing Guidance*

Affects: All entities.

Summary: On October 20, 2020, the FASB issued a [proposed ASU](#)²⁴ that would amend three key aspects of the new leasing standard:

- The proposal would revise the lease classification requirements for lessors for "leases in which the lease payments are predominantly variable by requiring lessors to classify and account for those leases as operating leases."
- Lessees would have "the option to remeasure lease liabilities for changes in a reference index or a rate affecting future lease payments at the date that those changes take effect; that option would be available as an entity-wide accounting policy election."
- The requirements for both lessees and lessors would change with respect to situations in which there is "an early termination of some leases within a contract that does not economically affect the remaining leases in that contract."

Comments on the proposed ASU were due by December 4, 2020.

Other Resources: Deloitte's November 2, 2020, [Heads Up](#). Also see the [press release](#) on the FASB's Web site.

²³ FASB Proposed Accounting Standards Update, *Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Forwards and Options*.

²⁴ FASB Proposed Accounting Standards Update, *Leases (Topic 842): Targeted Improvements*.

Reference Rate Reform

FASB Proposes Scope Amendments to Guidance on Reference Rate Reform*

Affects: All entities.

Summary: On October 29, 2020, the FASB issued a [proposed ASU](#)²⁵ that would refine the scope of ASC 848 and clarify some of its guidance as part of the Board's monitoring of global reference rate reform activities. The proposed amendments would permit entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by changes in the interest rates used for discounting cash flows, for computing variation margin settlements, and for calculating price alignment interest in connection with reference rate reform activities underway in global financial markets (the "discounting transition").

Comments on the proposed ASU were due by November 13, 2020.

Other Resources: Deloitte's November 6, 2020, [Heads Up](#). Also see the [press release](#) on the FASB's Web site.

International

IASB Proposes Improvements to the Accounting for Sale-and-Leaseback Transactions*

Affects: Entities reporting under IFRS Standards.

Summary: On November 27, 2020, the IASB issued an [exposure draft](#)²⁶ that would amend IFRS 16 by specifying "the method a seller-lessee uses in initially measuring the right-of-use asset and liability arising in a sale and leaseback transaction and how the seller-lessee subsequently measures that liability."

Next Steps: Comments on the exposure draft are due by March 29, 2021.

Other Resources: Deloitte's November 30, 2020, [IFRS in Focus](#). Also see the [press release](#) on the IASB's Web site.

²⁵ FASB Proposed Accounting Standards Update, *Reference Rate Reform (Topic 848): Scope Refinement*.

²⁶ IASB Exposure Draft ED/2020/4, *Lease Liability in a Sale and Leaseback*.

Accounting — Other Key Developments

In This Section

- [AICPA](#)
 - [AICPA Releases Guidance Related to Loans Under the Paycheck Protection Program](#)
- [Coronavirus](#)
 - [Financial Reporting Considerations Related to COVID-19 and an Economic Downturn*](#)
- [Debt](#)
 - [FASB Issues Educational Paper on Borrower's Accounting for Debt Restructurings and Modifications*](#)
- [Hedge Accounting](#)
 - [FASB Staff Issues Q&A Document on Hedge Accounting Affected by COVID-19](#)
- [Leases](#)
 - [FASB Staff Issues Q&A Document on Lease Concessions Related to COVID-19](#)

AICPA

AICPA Releases Guidance Related to Loans Under the Paycheck Protection Program

Affects: All entities.

Summary: On June 10, 2020, the AICPA released a [technical Q&A](#)²⁷ that addresses how nongovernmental entities account for forgivable loans received as part of the PPP. The Q&A concludes, in part, that “[r]egardless of whether a nongovernmental entity expects to repay the PPP loan or believes it represents, in substance, a grant that is expected to be forgiven, it may account for the loan as a financial liability in accordance with FASB ASC 470 and accrue interest in accordance with the interest method under FASB ASC 835-30.”

Other Resources: Deloitte’s May 7, 2020 (updated May 15, 2020), [Heads Up](#).

Coronavirus

Financial Reporting Considerations Related to COVID-19 and an Economic Downturn*

Affects: All entities.

Summary: The COVID-19 pandemic is affecting major economic and financial markets, and virtually all industries and governments are facing challenges associated with the economic conditions resulting from efforts to address it. For example, many entities in the travel, hospitality, leisure, and retail industries have seen sharp declines in revenues due to regulatory and organizational mandates (e.g., “shelter in place” mandates, school closures) and voluntary changes in consumer behavior (e.g., “social distancing”).

In this environment, entities are experiencing conditions often associated with a general economic downturn, including, but not limited to, financial market volatility and erosion of market value, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increasing inventory levels, reductions in production because of decreased demand and supply constraints, layoffs and furloughs, and other restructuring activities. The continuation of these circumstances could have a prolonged negative impact on an entity’s financial condition and results.

To help the nation respond to the pandemic, the U.S. Congress has passed a series of laws. The most significant of these is the [CARES Act](#), which provides relief from certain accounting and financial reporting requirements under U.S. GAAP. Among other provisions, the CARES Act provides \$2.2 trillion of economy-wide financial stimulus in the form of financial aid to individuals, businesses, nonprofit entities, states, and municipalities. Other COVID-19-related legislation passed by Congress includes the following:

- The [Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020](#) (enacted March 6, 2020), which provides \$7.8 billion in emergency funding for the development and manufacture of vaccines and other supplies; support to state, local, and tribal public health agencies; loans to affected small businesses; evacuations and emergency preparedness activities; and humanitarian assistance for affected countries.

²⁷ AICPA Technical Q&A Section 3200.18, “Borrower Accounting for a Forgivable Loan Received Under the Small Business Administration Paycheck Protection Program.”

- The [Families First Coronavirus Response Act](#) (enacted March 18, 2020), which is intended to give relief to individuals affected by COVID-19.
- The [Paycheck Protection Program and Health Care Enactment Act](#), which provides an additional \$484 billion in funding for CARES Act programs.

Other Resources: Deloitte's [March 5, 2020](#); [March 25, 2020](#) (last updated September 18, 2020); [June 5, 2020](#); [July 1, 2020](#); and [September 11, 2020](#), *Financial Reporting Alert* newsletters. In addition, for more information about the CARES Act and related financial reporting considerations, see Deloitte's [April 9, 2020](#) (last updated September 18, 2020); [April 15, 2020](#) (last updated July 8, 2020); and [May 7, 2020](#) (updated May 15, 2020), *Heads Up* newsletters.

Debt

FASB Issues Educational Paper on Borrower's Accounting for Debt Restructurings and Modifications*

Affects: All entities.

Summary: The FASB staff has issued an [educational paper](#)²⁸ that provides an "overview of the accounting guidance for debt restructurings and modifications and provides examples of common restructurings and modifications."

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

Hedge Accounting

FASB Staff Issues Q&A Document on Hedge Accounting Affected by COVID-19

Affects: All entities.

Summary: On April 28, 2020, the FASB staff released a [Q&A document](#)²⁹ that provides answers to "frequently asked questions about the disruptive effects of COVID-19 on cash flow hedge accounting."

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

Leases

FASB Staff Issues Q&A Document on Lease Concessions Related to COVID-19

Affects: All entities.

Summary: On April 10, 2020, the FASB staff published a [Q&A document](#)³⁰ on accounting for lease concessions related to the effects of the COVID-19 pandemic. The document notes that for such concessions, "an entity will not have to analyze each contract to determine whether enforceable rights and obligations for concessions exist in the contract and can elect to apply or not apply the lease modification guidance in Topic 842 and Topic 840 to those contracts."

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

²⁸ FASB Educational Paper, *Topic 470 (Debt): Borrower's Accounting for Debt Modifications*.

²⁹ FASB Staff Q&A, *Topic 815: Cash Flow Hedge Accounting Affected by the COVID-19 Pandemic*.

³⁰ FASB Staff Q&A, *Topic 842 and Topic 840: Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic*.

Auditing Developments

In This Section

- [AICPA](#)
 - [AICPA Issues Proposed SAS on the Auditor's Use of Specialists*](#)
 - [AICPA Issues SAS on Audit Evidence](#)
 - [AICPA Postpones Effective Dates of Certain Standards](#)
 - [AICPA Issues SSARS on Materiality](#)
 - [AICPA Issues Statement of Position on Global Investment Performance Standards](#)
- [CAQ](#)
 - [CAQ Releases Highlights of July 2020 Joint Meeting With the SEC Staff*](#)
 - [CAQ Issues Resources Related to COVID-19](#)
- [PCAOB](#)
 - [PCAOB Issues Publication on Staff Observations and Key Takeaways From Audits During the COVID-19 Pandemic*](#)
 - [PCAOB Aligns Interim Independence Standards With SEC Regulation S-X*](#)
 - [PCAOB Issues Interim Analysis Report on Critical Audit Matters*](#)

AICPA

AICPA Issues Proposed SAS on the Auditor's Use of Specialists*

Affects: Auditors.

Summary: On November 4, 2020, the AICPA issued a [proposed SAS](#)³¹ that would (1) "provide guidance on applying SAS No. 143 when management has used the work of a specialist in making accounting estimates," (2) provide "guidance on the use of pricing information obtained from external information sources to be used as audit evidence for estimates related to the fair value of financial instruments," and (3) "enhance the guidance related to using the work of an auditor's specialist."

Next Steps: Comments on the proposed SAS are due by February 4, 2021.

AICPA Issues SAS on Audit Evidence

Affects: Auditors.

Summary: On July 9, 2020, the AICPA's Auditing Standards Board published [SAS 142](#)³² to address the evaluation of audit evidence. SAS 142 "explains what constitutes audit evidence in an audit of financial statements and sets out attributes of information that are taken into account by the auditor when evaluating information to be used as audit evidence." The standard "addresses the evolving nature of business, audit services and issues that have arisen since the existing AU-C section 500 was originally issued."

Next Steps: SAS 142 is effective for financial statement audits for periods ending on or after December 15, 2022.

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

AICPA Postpones Effective Dates of Certain Standards

Affects: Auditors.

Summary: On May 1, 2020, the AICPA's Auditing Standards Board issued [SAS 141](#),³³ which defers the dates of seven SASs as a result of the COVID-19 pandemic. The standards will be deferred for one year and are effective for audits of calendar-year-end 2021 financial statements.

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

AICPA Issues SSARS on Materiality

Affects: Auditors.

Summary: In February 2020, the AICPA's Accounting and Review Services Committee issued [SSARS 25](#),³⁴ which (1) contains an explicit requirement related to determining materiality, (2) allows for the "expression of an adverse review conclusion when financial statements are materially and pervasively misstated," and (3) requires a "statement regarding independence in the accountant's review report."

³¹ AICPA Proposed Statement on Auditing Standards, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Information Sources*.

³² AICPA Statement on Auditing Standards No. 142, *Audit Evidence*.

³³ AICPA Statement on Auditing Standards No. 141, *Amendment to the Effective Dates of SAS Nos. 134–140*.

³⁴ AICPA Statement on Standards for Accounting and Review Services No. 25, *Materiality in a Review of Financial Statements and Adverse Conclusions*.

Other Resources: For more information, see the [“at a glance”](#) overview on the AICPA’s Web site.

AICPA Issues Statement of Position on Global Investment Performance Standards

Affects: Auditors.

Summary: In January 2020, the AICPA issued [SOP 20-1](#),³⁵ which addresses auditors’ reporting in accordance with the 2020 global investment performance standards (GIPS). The SOP provides guidance on practitioners’ engagements related to examining and reporting on (1) “aspects of a firm’s claim of compliance with the 2020 edition of the GIPS standards (a verification)” and (2) “any of the firm’s composites or pooled funds and their associated GIPS reports (a performance examination).”

SOP 20-1 became effective upon issuance.

CAQ

CAQ Releases Highlights of July 2020 Joint Meeting With the SEC Staff*

Affects: Auditors.

Summary: On October 5, 2020, the Center for Audit Quality (CAQ) published [highlights](#) of the July 29, 2020, CAQ SEC Regulations Committee joint meeting with the SEC staff. Topics discussed at the meeting included:

- Date of adopting ASC 842 for a non-emerging growth company in an initial registration statement.
- Financial statement requirements and adoption dates for new accounting standards for a target in a Form S-4, merger proxy, or both for a nonreporting target merging with a public operating company, shell company, or special-purpose acquisition company in a reverse merger.
- Extension of FASB adoption date deferrals attributable to COVID-19 to certain “other entities” whose financial statements or financial information are included in a registrant’s filing (i.e., under Regulation S-X, Rule 3-05,³⁶ Rule 3-09,³⁷ or Rule 4-08(g).³⁸
- Adoption dates of accounting standards for a company upon becoming an “SEC filer.”
- Implementation questions regarding final amendments to Regulation S-X, Rule 3-05.

CAQ Issues Resources Related to COVID-19

Affects: Auditors.

Summary: In April 2020, the CAQ issued the following resources related to COVID-19:

- [COVID-19 Considerations for Non-GAAP Financial Measures and Performance Metrics](#) — Contains a “high-level overview of SEC requirements and guidance for registrants around non-GAAP reporting and the potential impact of COVID-19 on that reporting.”
- [10-Q Considerations During COVID-19](#) — Addresses COVID-19-related Form 10-Q audit considerations for investors and audit committees.

³⁵ AICPA Statement of Position No. 20-1, *Reporting Pursuant to the 2020 Edition of the Global Investment Performance Standards*.

³⁶ SEC Regulation S-X, Rule 3-05, “Financial Statements of Businesses Acquired or to Be Acquired.”

³⁷ SEC Regulation S-X, Rule 3-09, “Separate Financial Statements of Subsidiaries Not Consolidated and 50 Percent or Less Owned Persons.”

³⁸ SEC Regulation S-X, Rule 4-08(g), “Summarized Financial Information of Subsidiaries Not Consolidated and 50 Percent or Less Owned Persons.”

- [CAQ COVID-19 Resource — Key Auditor and Audit Committee Considerations](#) — Provides “high-level financial reporting considerations for auditors and audit committees as certain audits near completion, quarterly reviews are occurring, and during planning for 2020 audits.”

PCAOB

PCAOB Issues Publication on Staff Observations and Key Takeaways From Audits During the COVID-19 Pandemic*

Affects: Registered public accounting firms.

Summary: On December 2, 2020, the PCAOB issued a [spotlight](#)³⁹ that discusses its observations from audits during the COVID-19 pandemic. Specifically, the spotlight addresses “select staff observations from recent inspections of reviews of interim financial information and audits” and shares “important reminders for auditors to consider as they plan and conduct audits and reviews of interim financial information in the current environment.”

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

PCAOB Aligns Interim Independence Standards With SEC Regulation S-X*

Affects: Registered public accounting firms.

Summary: On November 19, 2020, the PCAOB issued a [final rule](#)⁴⁰ to align its interim independence standards with SEC Regulation S-X. Specifically, the final rule makes “targeted amendments to the PCAOB’s interim independence standards and Part 5 of the Rules of the Board, *Ethics and Independence*, to conform with changes by the SEC in 2019 and 2020 to Rule 2-01 of the SEC’s Regulation S-X.”

Next Steps: The amendments, which are subject to SEC approval, will become effective 180 days after the date on which the SEC’s October 16, 2020, amendments to SEC Regulation S-X, Rule 2-01,⁴¹ are published in the *Federal Register*.

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

PCAOB Issues Interim Analysis Report on Critical Audit Matters*

Affects: Registered public accounting firms.

Summary: On October 29, 2020, the PCAOB issued an [interim analysis report](#)⁴² that evaluates the overall effect of the CAM requirements on stakeholders in the audit process. Key findings of the report include:

- “Audit firms made significant investments to support initial implementation of the CAM requirements.”
- “Investor awareness of CAMs communicated in the auditor’s report is still developing, but some investors are reading CAMs and find the information beneficial.”
- “The staff has not found evidence of significant unintended consequences from auditors’ implementation of the CAM requirements for audits of large accelerated filers in the initial year.”

³⁹ PCAOB Spotlight, *Staff Observations and Reminders During the COVID-19 Pandemic*.

⁴⁰ PCAOB Release No. 2020-003, *Amendments to PCAOB Interim Independence Standards and PCAOB Rules to Align With Amendments to Rule 2-01 of Regulation S-X*.

⁴¹ SEC Regulation S-X, Rule 2-01, “Qualifications of Accountants.”

⁴² PCAOB Release No. 2020-002, *Evidence on the Initial Impact of Critical Audit Matter Requirements*.

In addition, the interim analysis report is accompanied by two white papers:

- [*Stakeholder Outreach on the Initial Implementation of CAM Requirements.*](#)
- [*Econometric Analysis on the Initial Implementation of CAM Requirements.*](#)

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

Regulatory and Compliance Developments

In This Section

- [SEC](#)
 - [The SEC's Continued Response to the COVID-19 Pandemic*](#)
 - [SEC Enhances Framework for Funds' Fair Value Determinations*](#)
 - [SEC Issues Disclosure Guidance for China-Based Issuers*](#)
 - [SEC Proposes Rules Related to Compensatory Offerings*](#)
 - [SEC Amends Certain Financial Disclosure Requirements in Regulation S-K*](#)
 - [SEC Staff Updates Financial Reporting Manual*](#)
 - [SEC Issues Final Rules on Electronic Submissions*](#)
 - [SEC Issues Transitional FAQs Related to Amended Regulation S-K Items*](#)
 - [SEC Amends the Exempt Offering Framework*](#)
 - [SEC Modernizes Regulatory Framework for Use of Derivatives*](#)
 - [SEC Amends Auditor Independence Rules*](#)
 - [SEC Issues Final Rule on Regulatory Framework for Fund-of-Funds Arrangements*](#)
 - [SEC Modernizes Shareholder Proposal Rule](#)
 - [SEC Amends Whistleblower Program Rules](#)
 - [SEC Issues Final Rule on Disclosures for Banking Registrants](#)
 - [SEC Modernizes Certain Regulation S-K Disclosure Requirements](#)

SEC

The SEC's Continued Response to the COVID-19 Pandemic*

Affects: All entities.

Summary: The SEC has continued to respond to the COVID-19 crisis, releasing over 50 different statements, orders, and interpretations. The following are a few of the significant COVID-19-related items the Commission has issued:

- On December 7, 2020, SEC Chief Accountant Sagar Teotia released a [statement](#) on the benefits of high-quality financial reporting during an uncertain year in which key stakeholders have faced various challenges because of the COVID-19 pandemic. Mr. Teotia also addressed recent activities of the OCA as well as the SEC's priorities for the upcoming year.
- On October 5, 2020, the SEC staff issued a [report](#)⁴³ on the interconnectedness of the U.S. credit markets and the effects of the COVID-19 pandemic. As noted in the press release on the report, the report's purpose is "to identify and place in context key structural- and flow-related interdependencies in the U.S. credit markets as well as areas of stress revealed by the COVID-19 shock, with an eye toward informing policymakers as they seek to improve the functioning and resilience of our financial markets."
- On August 7, 2020, the SEC's Division of Corporation Finance [announced](#) that, because of COVID-19 concerns, it will provide a "temporary secure file transfer process for the submission of supplemental materials pursuant to Securities Act Rule 418 and Exchange Act Rule 12b-4 and information subject to Rule 83 confidential treatment requests."
- On June 23, 2020, Mr. Teotia published a [statement](#) that focuses on the importance of providing investors with high-quality financial information and summarizing the efforts of the OCA in this regard. The statement reminds registrants that the OCA is available for consultation on complex matters. It further notes that the OCA will continue to respect "well-reasoned judgments that entities have made" and encourages registrants to provide "understandable and useful" disclosures about significant judgments and estimates. This statement is a follow-up to Mr. Teotia's April 3, 2020, [statement](#).
- On June 23, 2020, the Division of Corporation Finance issued [CF Disclosure Guidance \(DG\) Topic 9A](#). DG Topic 9A supplements DG Topic 9 and acknowledges that registrants have undertaken and are undertaking various operational adjustments and financing arrangements in response to COVID-19. In DG Topic 9A, and in a manner consistent with DG Topic 9 and other guidance on evolving risks, the SEC staff provided a series of illustrative questions for registrants to consider when developing disclosures related to the current and expected future impact of COVID-19. While the additional questions raised by the SEC in DG Topic 9A cover a broad range of topics, there is a consistent theme of improved disclosures related to liquidity, capital resources, and going-concern considerations. The SEC staff observed disclosure of such matters primarily in earnings releases and encourages registrants to consider providing similar disclosures in MD&A.

⁴³ SEC Staff Report, *U.S. Credit Markets — Interconnectedness and the Effects of the COVID-19 Economic Shock*.

- [SEC Amends Definition of “Accredited Investor”](#)
 - [Federal Agencies Issue Guidance on Liquidation of Covered Broker-Dealers](#)
 - [SEC Amends Proxy Solicitation Rules](#)
 - [SEC Amends Procedures for Exemptive Applications](#)
 - [SEC Improves Financial Disclosures About Acquisitions and Dispositions of Businesses](#)
 - [SEC Amends National Market System Plan Governing Consolidated Audit Trail](#)
 - [SEC Amends Guidance on Offering Reforms for Business Development Companies and Registered Closed-End Funds](#)
 - [SEC Expands Qualifications for Nonaccelerated Filer Status](#)
 - [SEC Issues Final Rule to Improve Disclosure Requirements for Variable Annuities and Variable Life Insurance Contracts](#)
 - [SEC Issues Final Rule to Simplify Disclosure Requirements Related to Guarantors and Collateralizations of Securities](#)
 - [SEC Amends Exemptions From Investment Adviser Registration for Advisers to RBICs](#)
 - [SEC Issues Guidance on Key Performance Indicators and Metrics in MD&A](#)
 - [SEC Publishes Documents on Cybersecurity and Resiliency](#)
 - On June 26, 2020, the SEC’s Division of Trading and Markets issued [FAQs](#)⁴⁴ about “certain provisions of the broker-dealer financial responsibility rules during the COVID-19 pandemic.” Specifically, the FAQs address the following topics:
 - Whether “a broker-dealer participating in the Federal Reserve Money Market Mutual Fund Liquidity Facility (MMLF) [has] to take capital charges for securities purchased from a money market mutual fund.”
 - Prompt transmission of customer checks under Rule 15c3-3(k)(2).
 - Quarterly securities count of physical certificates.
 - On May 8, 2020, the staff of the SEC’s Division of Investment Management (the “Division”) issued [FAQs](#) on funds and advisers affected by COVID-19. These 13 FAQs are broken into sections on the following three topics: (1) contacting the Division, (2) investment advisers, and (3) investment companies.
 - On May 4, 2020, the staff of the SEC’s Division of Corporation Finance issued four [FAQs](#) that discuss the SEC’s March 25, 2020, [COVID-19 order](#) (which enables entities to defer the date by which they file certain reports — including Form 10-K and Form 10-Q) as well as the interaction with Form S-3 and the ability to issue prospectus offerings.
 - On April 24, 2020, the SEC [announced](#) its formation of a COVID-19 Market Monitoring Group (the “Group”) whose purpose is to “assist the Commission and its various divisions and offices in (1) Commission and staff actions and analysis related to the effects of COVID-19 on markets, issuers, and investors — including our Main Street investors, and (2) responding to requests for information, analysis and assistance from fellow regulators and other public sector partners.” On May 13, 2020, the SEC issued a [public statement](#)⁴⁵ by SEC Chairman Jay Clayton and SEC Chief Economist and Director of the Division of Economic and Risk Analysis S. P. Kothari on the work of the COVID-19 Market Monitoring Group. The statement provides information on “(1) the status of [the Group’s] ongoing coordination with domestic and foreign regulatory partners and public sector officials, and (2) certain specific medium- and longer-term market analysis work streams.” On July 15, 2020, the Group issued its [initial observations](#) on credit ratings, procyclicality, and related financial stability issues.
 - On April 2, 2020, Chairman Clayton released a [statement](#) that provides an overview of the SEC’s approach to allocation of resources, oversight, and rulemaking as well as Regulation Best Interest and Form CRS.
- ## SEC Enhances Framework for Funds’ Fair Value Determinations*
- Affects:** SEC registrants.
- Summary:** On December 3, 2020, the SEC issued a [final rule](#)⁴⁶ that amends the Investment Company Act of 1940 to “address valuation practices and the role of the board of directors with respect to the fair value of the investments of a registered investment company or business development company (‘fund’). The rule will provide requirements for determining fair value in good faith for purposes of the Act.”
- Next Steps:** The final rule will become effective 60 days after the date of its publication in the *Federal Register*.
- Other Resources:** For more information, see the [press release](#) on the SEC’s Web site.

⁴⁴ SEC FAQs, *Frequently Asked Questions Concerning the COVID-19 Pandemic and the Broker-Dealer Financial Responsibility Rules*.

⁴⁵ SEC Public Statement, *COVID-19 Market Monitoring Group — Update and Current Efforts*.

⁴⁶ SEC Final Rule Release No. IC-34128, *Good Faith Determinations of Fair Value*.

SEC Issues Disclosure Guidance for China-Based Issuers*

Affects: SEC registrants.

Summary: On December 1, 2020, the SEC's Division of Corporation Finance (the "Division") issued [disclosure guidance](#)⁴⁷ that provides the Division's views on "certain disclosure considerations for companies based in or with the majority of their operations in the People's Republic of China."

SEC Proposes Rules Related to Compensatory Offerings*

Affects: SEC registrants.

Summary: On November 24, 2020, the SEC issued a [proposed rule](#)⁴⁸ that would amend Rule 701 of the Securities Act of 1933 by allowing "an exemption from registration for securities issued by non-reporting issuers pursuant to compensatory arrangements, and Form S-8, the Securities Act registration statement for compensatory offerings by reporting issuers." On this same date, the SEC also issued a [temporary proposed rule](#)⁴⁹ that "would establish a temporary provision under Securities Act rules that, on a trial basis, would permit a non-reporting issuer to offer and sell securities for a compensatory purpose to an expanded group of workers without having to register the offers and sales under the Securities Act, as long as certain conditions are met."

Next Steps: Comments on both the proposed rule and temporary proposed rule are due 60 days after the date of their publication in the *Federal Register*.

Other Resources: For more information, see the press releases on the [proposed rule](#) and [temporary proposed rule](#) on the SEC's Web site.

SEC Amends Certain Financial Disclosure Requirements in Regulation S-K*

Affects: SEC registrants.

Summary: On November 19, 2020, the SEC issued a [final rule](#)⁵⁰ that modernizes and simplifies Management's Discussion and Analysis (MD&A) and certain financial disclosure requirements in SEC Regulation S-K. The final rule is "intended to enhance the focus of financial disclosures on material information for the benefit of investors, while simplifying compliance efforts for registrants." The amendments also promote the principles-based nature of MD&A disclosures and give registrants the flexibility to present a discussion of management's perspective on the registrants' financial condition and results of operations.

Next Steps: The final rule will become effective 30 days after the date of its publication in the *Federal Register*.

Other Resources: Deloitte's November 24, 2020, [Heads Up](#). Also see the [press release](#) on the SEC's Web site.

⁴⁷ SEC Guidance, *Disclosure Considerations for China-Based Issuers*.

⁴⁸ SEC Proposed Rule Release No. 33-10891, *Modernization of Rules and Forms for Compensatory Securities Offerings and Sales*.

⁴⁹ SEC Proposed Rule Release No. 33-10892, *Temporary Rules to Include Certain "Platform Workers" in Compensatory Offerings Under Rule 7-01 and Form S-8*.

⁵⁰ SEC Final Rule Release No. 33-10890, *Management's Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information*.

SEC Staff Updates Financial Reporting Manual*

Affects: SEC registrants.

Summary: On November 18, 2020, the SEC's Division of Corporation Finance (the "Division") published an update to its Financial Reporting Manual. The update:

- Revises Sections 1340, 5110, and 5120 and paragraphs 2030.1 and 5210.2 in response to amendments to the definition of smaller reporting company under [SEC Final Rule 33-10513](#).⁵¹
- Amends Topics 1–6, 8–11, and 14 to replace "income statement" with "statement of comprehensive income."
- Revises Section 1340 for amendments to the definitions of accelerated filer and large accelerated filer under [SEC Final Rule Release 34-88365](#).⁵²
- Removes outdated Division guidance and GAAP references. In addition, updates are being made in response to changes in GAAP adoption dates as well as guidance issued by the PCAOB, Division, and OCA over the past few years.
- Clarifies (in paragraph 2050.1) that Regulation S-X, Rule 3-13,⁵³ applies only to the financial statements included in a Form 8-K and not to the requirement itself for filing the form in a timely manner.
- Makes clarifications to paragraphs 1140.5, 2200.7, and 4110.5 for audit requirements related to a special-purpose acquisition company registrant's nonreporting target in Form S-4/Form F-4.
- Makes clarifications (in paragraph 2410.4) regarding the income test calculation under Regulation S-X, Rule 3-09, when there is more than one equity method investee.
- Describes (in Section 4220) the impact a substantial-deficiency situation may have on the "timely filed" criteria in certain rule and form eligibility standards.
- Revises Section 4710 to include another example of when a "to be issued" accountant's report may be accepted.

SEC Issues Final Rules on Electronic Submissions*

Affects: SEC registrants.

Summary: On November 17, 2020, the SEC issued the following two final rules:

- [Electronic Signatures in Regulation S-T Rule 302](#), which allows "the use of electronic signatures when executing authentication documents in connection with many documents filed with the Commission."
- [Amendments to the Commission's Rules of Practice](#), which requires "electronic filing and service of documents in administrative proceedings" as well as "redaction of sensitive personal information from many of these documents before filing with the Commission."

Next Steps: The final rule on electronic signatures became effective on December 4, 2020. The final rule on amendments to the Commission's rules of practice will become effective 30 days after the date of its publication in the *Federal Register*; however, entities will not be required to comply with this rule until April 12, 2021.

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

⁵¹ SEC Final Rule Release No. 33-10513, *Smaller Reporting Company Definition*.

⁵² SEC Final Rule Release No. 34-88365, *Accelerated Filer and Large Accelerated Filer Definitions*.

⁵³ SEC Regulation S-X, Rule 3-13, "Filing of Other Financial Statements in Certain Cases."

SEC Issues Transitional FAQs Related to Amended Regulation S-K Items*

Affects: SEC registrants.

Summary: On November 6, 2020, the SEC's Division of Corporation Finance released transitional [FAQs](#)⁵⁴ related to the disclosure requirements in the SEC's final rule on modernization of Regulation S-K. Topics covered in the FAQs include whether (1) a Form S-3 prospectus supplement filed on or after November 9, 2020, must comply with the new rules; (2) Item 101 requires "registrants to disclose information in their Report on Form 10-K for more than the fiscal year covered by the Report;" and (3) a registrant must "always provide a full discussion of the general development of its business pursuant to new Item 101(a) (or new Item 101(h) for a smaller reporting company) in an annual report or registration statement that requires Item 101 disclosure."

SEC Amends the Exempt Offering Framework*

Affects: SEC registrants.

Summary: On November 2, 2020, the SEC issued a [final rule](#)⁵⁵ on facilitating capital formation and expanding investment opportunities "for investors by expanding access to capital for small and medium-sized businesses and entrepreneurs across the United States." The amendments are intended to "simplify, harmonize, and improve certain aspects of the exempt offering framework to promote capital formation while preserving or enhancing important investor protections."

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

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

SEC Modernizes Regulatory Framework for Use of Derivatives*

Affects: SEC registrants.

Summary: On October 28, 2020, the SEC issued a [final rule](#)⁵⁶ "to address the investor protection purposes and concerns underlying section 18 of the [Investment Company Act of 1940 (the 'Act')]." The final rule adds Rule 18f-4 to the Act, which "permits mutual funds (other than money market funds), exchange-traded funds ('ETFs'), registered closed-end funds, and business development companies (collectively, 'funds') to enter into derivatives transactions and certain other transactions notwithstanding the restrictions under section 18 of the Act." In addition, the final rule amends Rule 6c-11 of the Act to allow "leveraged or inverse ETFs to operate without obtaining an exemptive order."

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

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

⁵⁴ SEC FAQs, *Transitional FAQs Regarding Amended Regulation S-K Items 101, 103 and 105*.

⁵⁵ SEC Final Rule Release No. 33-10884, *Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets*.

⁵⁶ SEC Final Rule Release No. IC-34084, *Use of Derivatives by Registered Investment Companies and Business Development Companies*.

SEC Amends Auditor Independence Rules*

Affects: SEC registrants.

Summary: On October 16, 2020, the SEC issued a [final rule](#)⁵⁷ that amends certain auditor independence requirements in Regulation S-X, Rule 2-01. The amendments focus on relationships and services that are more likely to jeopardize the objectivity and impartiality of auditors.

Next Steps: The final rule will become effective on June 9, 2021.

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

SEC Issues Final Rule on Regulatory Framework for Fund-of-Funds Arrangements*

Affects: SEC registrants.

Summary: On October 7, 2020, the SEC issued a [final rule](#)⁵⁸ that updates the Investment Company Act of 1940 to “streamline and enhance the regulatory framework applicable to funds that invest in other funds (‘fund of funds’ arrangements).” In addition, the SEC is “rescinding rule 12d1-2 under the Act and most exemptive orders granting relief from sections 12(d)(1)(A), (B), (C), and (G) of the Act” and adopting amendments to Rule 12d1-1 and Form N-CEN.

Next Steps: The final rule will become effective on January 19, 2021.

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

SEC Modernizes Shareholder Proposal Rule

Affects: SEC registrants.

Summary: On September 23, 2020, the SEC issued a [final rule](#)⁵⁹ that amends:

- Procedural rules related to the “current ownership requirements to incorporate a tiered approach that provides three options for demonstrating a sufficient ownership stake in a company — through a combination of amount of securities owned and length of time held — to be eligible to submit a proposal; require certain documentation to be provided when a proposal is submitted on behalf of a shareholder-proponent; require shareholder-proponents to identify specific dates and times they can meet with the company in person or via teleconference to engage with the company with respect to the proposal; and provide that a person may submit no more than one proposal, directly or indirectly, for the same shareholders’ meeting.”
- Resubmission thresholds by revising “the levels of shareholder support a proposal must receive to be eligible for resubmission at the same company’s future shareholders’ meetings from 3, 6, and 10 percent to 5, 15, and 25 percent, respectively.”

Next Steps: The final rule will become effective on January 4, 2021, with one exception detailed in the rule.

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

⁵⁷ SEC Final Rule Release No. 33-10876, *Qualifications of Accountants*.

⁵⁸ SEC Final Rule Release No. 33-10871, *Fund of Funds Arrangements*.

⁵⁹ SEC Final Rule Release No. 34-89964, *Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8*.

SEC Amends Whistleblower Program Rules

Affects: SEC registrants.

Summary: On September 23, 2020, the SEC issued a [final rule](#)⁶⁰ that is “intended to provide greater transparency, efficiency and clarity to whistleblowers, to ensure whistleblowers are properly incentivized, and to continue to properly award whistleblowers to the maximum extent appropriate and with maximum efficiency.”

The final rule became effective on December 7, 2020, with certain exceptions detailed in the rule.

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

SEC Issues Final Rule on Disclosures for Banking Registrants

Affects: SEC registrants.

Summary: On September 11, 2020, the SEC issued a [final rule](#)⁶¹ that “update[s] and expand[s] the statistical disclosures that bank and savings and loan registrants provide to investors, in light of changes in this sector over the past 30 years.” It also (1) eliminates “certain disclosure items that are duplicative of other Commission rules and requirements of U.S. GAAP or IFRS [Standards]” and (2) replaces Industry Guide 3 “with updated disclosure requirements in a new subpart of Regulation S-K.”

The final rule became effective on November 16, 2020, with certain exceptions detailed in the rule.

Other Resources: Deloitte’s October 8, 2020, [Heads Up](#). Also see the [press release](#) on the SEC’s Web site.

SEC Modernizes Certain Regulation S-K Disclosure Requirements

Affects: SEC registrants.

Summary: On August 26, 2020, the SEC issued a [final rule](#)⁶² that modernizes the disclosure requirements in Regulation S-K, Item 101, on description of a business; Item 103 on legal proceedings; and Item 105 on risk factors. The final rule is intended to improve the readability of disclosures, reduce repetition, and eliminate immaterial information, thereby simplifying compliance for registrants and making disclosures more meaningful for investors. The amendments to the disclosure requirements related to a registrant’s description of its business and risk factors are intended to expand the use of a principles-based approach that gives registrants more flexibility to tailor disclosures. The amendments to the disclosure requirements related to legal proceedings continue to reflect the current, more prescriptive approach because those requirements depend less on a registrant’s specific characteristics.

The final rule became effective on November 9, 2020.

Other Resources: Deloitte’s September 3, 2020, [Heads Up](#). Also see the [press release](#) on the SEC’s Web site.

⁶⁰ SEC Final Rule Release No. 34-89963, *Whistleblower Program Rules*.

⁶¹ SEC Final Rule Release No. 33-10835, *Update of Statistical Disclosures for Bank and Savings and Loan Registrants*.

⁶² SEC Final Rule Release No. 33-10825, *Modernization of Regulation S-K Items 101, 103, and 105*.

SEC Amends Definition of “Accredited Investor”

Affects: SEC registrants.

Summary: On August 26, 2020, the SEC issued a [final rule](#)⁶³ that amends the Securities Act of 1933 by (1) revising the definition of “accredited investor” in Rule 501(a), (2) replacing the existing definition of this term in Rule 215 with a cross-reference to the definition in Rule 501(a), and (3) updating the definition of “qualified institutional buyer” in Rule 144A.

The final rule became effective on December 8, 2020.

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

Federal Agencies Issue Guidance on Liquidation of Covered Broker-Dealers

Affects: Broker-dealers.

Summary: On July 24, 2020, the SEC and FDIC jointly issued a [final rule](#)⁶⁴ that clarifies and implements “provisions relating to the orderly liquidation of certain brokers or dealers (covered broker-dealers) in the event the FDIC is appointed receiver under Title II of the Dodd-Frank Act.”

The final rule became effective on October 30, 2020.

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

SEC Amends Proxy Solicitation Rules

Affects: SEC registrants.

Summary: On July 22, 2020, the SEC issued a [final rule](#)⁶⁵ that will (1) “exempt persons furnishing proxy voting advice from the information and filing requirements of the federal proxy rules,” (2) amend the definitions of “solicit” and “solicitation” in Exchange Act Rule 14a-1(l), and (3) include “illustrative examples to the proxy rules’ antifraud provision in Exchange Act Rule 14a-9.” The exemptions are based on “two principles-based requirements designed to ensure that: (1) registrants that are the subject of proxy voting advice have such advice made available to them in a timely manner, and (2) clients of proxy voting advice businesses are provided with an efficient and timely means of becoming aware of any written responses by registrants to proxy voting advice.”

In addition, the SEC is providing [supplemental guidance](#)⁶⁶ concerning proxy voting responsibilities for investment advisers.

The final rule became effective on November 2, 2020. The supplemental guidance became effective on September 3, 2020.

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

⁶³ SEC Final Rule Release No. 33-10824, *Accredited Investor Definition*.

⁶⁴ SEC and FDIC Final Rule Release No. 34-89394, *Covered Broker-Dealer Provisions Under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act*.

⁶⁵ SEC Final Rule Release No. 34-89372, *Exemptions From the Proxy Rules for Proxy Voter Advice*.

⁶⁶ SEC Release No. IA-5547, *Supplement to Commission Guidance Regarding Proxy Voting Responsibilities of Investment Advisers*.

SEC Amends Procedures for Exemptive Applications

Affects: SEC registrants.

Summary: On July 6, 2020, the SEC issued a [final rule](#)⁶⁷ that establishes an expedited review procedure for “exemptive and other applications under the Investment Company Act that are substantially identical to recent precedent, as well as a new informal internal procedure for applications that would not qualify for the new expedited process.”

Next Steps: The final rule will become effective on June 14, 2021.

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

SEC Improves Financial Disclosures About Acquisitions and Dispositions of Businesses

Affects: SEC registrants.

Summary: On May 20, 2020, the SEC issued a [final rule](#)⁶⁸ that amends the financial statement requirements for acquisitions and dispositions of businesses, including real estate operations, and related pro forma financial information. As noted in the final rule, the amendments “are intended to improve for investors the financial information about acquired or disposed businesses, facilitate more timely access to capital, and reduce the complexity and costs to prepare the disclosure.” Among other changes, the final rule modifies the significance tests and improves the disclosure requirements for (1) acquired or to be acquired businesses, (2) real estate operations, and (3) pro forma financial information. In addition, the final rule includes amendments to financial disclosures specific to smaller reporting companies and investment companies.

Next Steps: The final rule will become effective at the beginning of a registrant’s fiscal year that starts after December 31, 2020 (e.g., January 1, 2021, for calendar-year-end companies); however, voluntary compliance is permitted before the effective dates as long as the final rule is applied in its entirety.

Other Resources: Deloitte’s June 2, 2020, [Heads Up](#). Also see the [press release](#) on the SEC’s Web site.

SEC Amends National Market System Plan Governing Consolidated Audit Trail

Affects: SEC registrants.

Summary: On May 15, 2020, the SEC issued a [final rule](#)⁶⁹ that requires national market system plan participants “to publish and file with the Securities and Exchange Commission a complete implementation plan for the consolidated audit trail and quarterly progress reports.” In addition, the amendments “establish financial accountability provisions.”

The final rule became effective on June 22, 2020.

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

⁶⁷ SEC Final Rule Release No. IC-33921, *Amendments to Procedures With Respect to Applications Under the Investment Company Act of 1940*.

⁶⁸ SEC Final Rule Release No. 33-10786, *Amendments to Financial Disclosures About Acquired and Disposed Businesses*.

⁶⁹ SEC Final Rule Release No. 34-88890, *Amendments to the National Market System Plan Governing the Consolidated Audit Trail*.

SEC Amends Guidance on Offering Reforms for Business Development Companies and Registered Closed-End Funds

Affects: SEC registrants.

Summary: On April 8, 2020, the SEC issued a [final rule](#)⁷⁰ that allows “business development companies (‘BDCs’) and registered closed-end funds (collectively, ‘affected funds’) to use the registration, offering, and communications rules that are already available to operating companies.” The amendments satisfy the mandate set by Congress in the Small Business Credit Availability Act and the Economic Growth, Regulatory Relief, and Consumer Protection Act.

Next Steps: The final rule became effective on August 1, 2020, with the exception of certain instructions detailed in the final rule, which will become effective on August 1, 2021.

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

SEC Expands Qualifications for Nonaccelerated Filer Status

Affects: SEC registrants.

Summary: On March 12, 2020, the SEC issued a [final rule](#)⁷¹ that amends the eligibility criteria for nonaccelerated filer status to include issuers that qualify as smaller reporting companies with annual revenues of less than \$100 million and public float of less than \$700 million. The final rule is intended to promote capital formation while maintaining investor protection by expanding the number of issuers that are eligible to take advantage of certain reporting accommodations offered to nonaccelerated filers. The most significant of these accommodations is that nonaccelerated filers are not subject to the requirement under Section 404(b) of the Sarbanes-Oxley Act of 2002 that an issuer obtain an audit report on internal control over financial reporting from its independent auditor.

The final rule became effective on April 27, 2020.

Other Resources: Deloitte’s March 19, 2020, [Heads Up](#). Also see the [press release](#) on the SEC’s Web site.

SEC Issues Final Rule to Improve Disclosure Requirements for Variable Annuities and Variable Life Insurance Contracts

Affects: SEC registrants.

Summary: On March 11, 2020, the SEC issued a [final rule](#)⁷² that “permits a person to satisfy its prospectus delivery obligations under the Securities Act for a variable contract by providing a summary prospectus to investors and making the statutory prospectus available online.” Further, “[t]he new summary prospectus framework leverages both technology and a layered disclosure approach to improve the ability of investors to understand and evaluate variable contracts.”

In addition, the SEC has adopted amendments to registration forms and related rules to implement the updated disclosure requirements.

The final rule became effective on July 1, 2020, with certain exceptions detailed in the final rule.

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

⁷⁰ SEC Final Rule Release No. 33-10771, *Securities Offering Reform for Closed-End Investment Companies*.

⁷¹ SEC Final Rule Release No. 34-88365, *Accelerated Filer and Large Accelerated Filer Definitions*.

⁷² SEC Final Rule Release No. 33-10765, *Updated Disclosure Requirements and Summary Prospectus for Variable Annuity and Variable Life Insurance Contracts*.

SEC Issues Final Rule to Simplify Disclosure Requirements Related to Guarantors and Collateralizations of Securities

Affects: SEC registrants.

Summary: On March 2, 2020, the SEC issued a [final rule](#)⁷³ on financial disclosures about guarantors and issuers of guaranteed securities and affiliates whose securities collateralize a registrant's securities. The amendments in the final rule "focus on the provision of material, relevant, and decision-useful information regarding guarantees and other credit enhancements, and eliminate prescriptive requirements that have imposed unnecessary burdens and incentivized issuers of securities with guarantees and other credit enhancements to offer and sell those securities on an unregistered basis."

Next Steps: The final rule will become effective on January 4, 2021, with certain exceptions detailed in the final rule. Early adoption is permitted.

Other Resources: Deloitte's March 10, 2020, [Heads Up](#). Also see the [press release](#) on the SEC's Web site.

SEC Amends Exemptions From Investment Adviser Registration for Advisers to RBICs

Affects: SEC registrants.

Summary: On March 2, 2020, the SEC issued a [final rule](#)⁷⁴ that amends two rules to "implement exemptions from SEC registration for advisers to venture capital funds and private funds." Further, the amendments include rural business investment companies (RBICs) "in the definition of the term 'venture capital fund' and exclude their assets from the definition of the term 'assets under management' for purposes of the private fund adviser exemption." The final rule meets the requirements mandated by Congress in the RBIC Advisers Relief Act of 2018.

The final rule became effective on March 10, 2020.

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

⁷³ SEC Final Rule Release No. 33-10762, *Financial Disclosures About Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralize a Registrant's Securities*.

⁷⁴ SEC Final Rule Release No. IA-5454, *Exemptions From Investment Adviser Registration for Advisers to Certain Rural Business Investment Companies*.

SEC Issues Guidance on Key Performance Indicators and Metrics in MD&A

Affects: SEC registrants.

Summary: On January 30, 2020, the SEC issued [interpretive guidance](#)⁷⁵ on disclosure considerations for key performance indicators (KPIs) and metrics in MD&A. The SEC indicated that a registrant should consider the need to disclose KPIs or metrics that it uses to manage its business in MD&A because this information may be material to investors and necessary in the evaluation of the company's performance. Among other things, this guidance reminds registrants that the SEC would generally expect the following disclosures to accompany all KPIs and metrics:

- "A clear definition of the metric and how it is calculated."
- "A statement indicating the reasons why the metric provides useful information to investors."
- "A statement indicating how management uses the metric in managing or monitoring the performance of the business."
- Disclosures accompanying any changes in the calculation or presentation of KPIs and metrics from period to period.

The guidance also reminds registrants of the importance of maintaining effective disclosure controls and procedures over KPIs and metrics, including maintaining consistency and accuracy of disclosure.

Other Resources: Deloitte's February 10, 2020, [Heads Up](#).

SEC Publishes Documents on Cybersecurity and Resiliency

Affects: SEC registrants.

Summary: On January 30, 2020, the SEC's Office of Compliance Inspections and Examinations published a [document](#)⁷⁶ that discusses best practices for enhancing cybersecurity preparedness and operational resiliency. Topics addressed include the following:

- Governance and risk management.
- Access rights and controls.
- Data loss prevention.
- Mobile security.
- Incident response and resiliency.
- Vendor management.
- Training and awareness.

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

⁷⁵ SEC Release No. 33-10751, *Commission Guidance on Management's Discussion and Analysis of Financial Condition and Results of Operations*.

⁷⁶ SEC Document, *Cybersecurity and Resiliency Observations*.

Appendix A: Significant Adoption Dates

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

FASB/EITF	Effective Date for PBEs	Effective Date for Non-PBEs	Early Adoption Allowed (Yes/No)	Deloitte Resources
Final Guidance				
ASU 2020-11, <i>Financial Services — Insurance (Topic 944): Effective Date and Early Application</i> (issued November 5, 2020)	This ASU amends the effective date of ASU 2018-12 and makes targeted improvements. See effective date information for ASU 2018-12 below.	This ASU amends the effective date of ASU 2018-12 and makes targeted improvements. See effective date information for ASU 2018-12 below.	Yes	November 6, 2020, DART news item
ASU 2020-10, <i>Codification Improvements</i> (issued October 29, 2020)	Annual periods beginning after December 15, 2020.	Annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022.	Yes	October 29, 2020, DART news item
ASU 2020-09, <i>Debt (Topic 470): Amendments to SEC Paragraphs Pursuant to SEC Release No. 33-10762</i> (issued October 23, 2020)	January 4, 2021.	N/A	Yes	October 23, 2020, DART news item
ASU 2020-08, <i>Codification Improvements to Subtopic 310-20, Receivables — Nonrefundable Fees and Other Costs</i> (issued October 15, 2020)	Fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020.	Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.	Early application is not permitted for PBEs. Early application is permitted for all other entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020.	October 15, 2020, DART news item
ASU 2020-07, <i>Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets</i> (issued September 17, 2020)	Annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022.	Annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022.	Yes	December 4, 2020, Heads Up
ASU 2020-06, <i>Accounting for Convertible Instruments and Contracts in an Entity's Own Equity</i> (issued August 5, 2020)	Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Yes, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.	August 5, 2020, Heads Up
ASU 2020-05, <i>Revenue From Contracts With Customers (Topic 606) and Leases (Topic 842) — Effective Dates for Certain Entities</i> (issued June 3, 2020)	N/A	ASU 2020-05 amends the effective dates of ASUs 2014-09 and 2016-02. See information on the effective dates of these ASUs below.	Yes	June 3, 2020, Heads Up

ASU 2020-04, <i>Facilitation of the Effects of Reference Rate Reform on Financial Reporting</i> (issued March 12, 2020)	March 12, 2020, through December 31, 2022.	March 12, 2020, through December 31, 2022.	N/A	March 23, 2020, Heads Up
ASU 2020-03, <i>Codification Improvements to Financial Instruments</i> (issued March 9, 2020)	<p><i>Conforming Amendments (Issues 1, 2, 3, 4, and 5)</i></p> <p>The amendments related to Issues 1, 2, 4, and 5 are effective upon issuance.</p> <p>The amendment related to Issue 3 is a conforming amendment that affects the guidance in the amendments in ASU 2019-04 (see effective date information for this ASU below).</p> <p><i>Amendments to ASU 2016-13 (Issues 6 and 7)</i></p> <p>The amendments related to Issues 6 and 7 affect the guidance in the amendments in ASU 2016-13 (see effective date information for this ASU below). For entities that have adopted the guidance in ASU 2016-13, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p>	<p><i>Conforming Amendments (Issues 1, 2, 3, 4, and 5)</i></p> <p>The amendments related to Issues 1, 2, 4, and 5 are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years beginning after December 15, 2020.</p> <p>The amendment related to Issue 3 is a conforming amendment that affects the guidance in the amendments in ASU 2019-04 (see effective date information for this ASU below).</p> <p><i>Amendments to ASU 2016-13 (Issues 6 and 7)</i></p> <p>The amendments related to Issues 6 and 7 affect the guidance in the amendments in ASU 2016-13 (see effective date information for this ASU below).</p> <p>For entities that have adopted the guidance in ASU 2016-13, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p>	Yes	March 9, 2020, DART news item

ASU 2020-02, <i>Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842)</i> (issued February 6, 2020)	Effective upon issuance.	N/A	N/A	February 6, 2020, DART news item
ASU 2020-01, <i>Investments — Equity Securities (Topic 321), Investments — Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions Between Topic 321, Topic 323, and Topic 815</i> — a consensus of the FASB Emerging Issues Task Force (issued January 16, 2020)	Fiscal years beginning after December 15, 2020, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years.	Yes	January 16, 2020, DART news item
ASU 2019-12, <i>Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes</i> (issued December 18, 2019)	Fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020.	Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.	Yes	December 19, 2019, Heads Up
ASU 2019-11, <i>Codification Improvements to Topic 326, Financial Instruments — Credit Losses</i> (issued November 27, 2019)	<p>For entities that have not yet adopted the amendments in ASU 2016-13 as of the issuance date of ASU 2019-11, the effective dates and transition requirements for the amendments are the same as the effective dates and transition requirements in ASU 2016-13 (see effective date information for this ASU below).</p> <p>For entities that have adopted the amendments in ASU 2016-13, the amendments in ASU 2019-11 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p>	<p>For entities that have not yet adopted the amendments in ASU 2016-13 as of the issuance date of ASU 2019-11, the effective dates and transition requirements for the amendments are the same as the effective dates and transition requirements in ASU 2016-13 (see effective date information for this ASU below).</p> <p>For entities that have adopted the amendments in ASU 2016-13, the amendments in ASU 2019-11 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p>	Yes, in any interim period after the issuance of ASU 2019-11 as long as an entity has adopted the amendments in ASU 2016-13.	December 2, 2019, Heads Up
ASU 2019-10, <i>Financial Instruments — Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates</i> (issued November 15, 2019)	This ASU amends the effective dates of ASUs 2016-02, 2016-13, 2017-04, and 2017-12. See effective date information for these ASUs below.	This ASU amends the effective dates of ASUs 2016-02, 2016-13, 2017-04, and 2017-12. See effective date information for these ASUs below.	N/A	November 19, 2019, Heads Up

ASU 2019-09, <i>Financial Services — Insurance (Topic 944): Effective Date</i> (issued November 15, 2019)	This ASU amends the effective date of ASU 2018-12. See effective date information for ASU 2018-12 below.	This ASU amends the effective date of ASU 2018-12. See effective date information for ASU 2018-12 below.	N/A	November 2019 <i>Insurance Spotlight</i>
ASU 2019-08, <i>Codification Improvements — Share-Based Consideration Payable to a Customer</i> (issued November 11, 2019)	<p>For entities that have not yet adopted the amendments in ASU 2018-07, the amendments in ASU 2019-08 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p> <p>For entities that have adopted the amendments in ASU 2018-07, the amendments in ASU 2019-08 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p>	<p>For entities that have not yet adopted the amendments in ASU 2018-07, the amendments in ASU 2019-08 are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.</p> <p>For entities that have adopted the amendments in ASU 2018-07, the amendments in ASU 2019-08 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p>	Yes, but not before an entity adopts the amendments in ASU 2018-07.	November 13, 2019, <i>Heads Up</i>
ASU 2019-05, <i>Financial Instruments — Credit Losses (Topic 326): Targeted Transition Relief</i> (issued May 15, 2019)	For entities that have not yet adopted ASU 2016-13, the amendments are effective at the same time as ASU 2016-13. For entities that have adopted ASU 2016-13, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.	For entities that have not yet adopted ASU 2016-13, the amendments are effective at the same time as ASU 2016-13. For entities that have adopted ASU 2016-13, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.	Yes	May 15, 2019, <i>Heads Up</i>

ASU 2019-04, <i>Codification Improvements to Topic 326, Financial Instruments — Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments</i> (issued April 25, 2019; effective date amended by ASU 2019-10)	<p>The amendments to ASU 2016-01 are effective for fiscal years and interim periods beginning after December 15, 2019.</p> <p>For entities that have not yet adopted ASU 2016-13, the amendments are effective at the same time as ASU 2016-13. For entities that have adopted ASU 2016-13, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p> <p>The amendments to ASU 2017-12 are effective (1) at the same time as ASU 2017-12 for entities that have not yet adopted the ASU, and (2) as of the beginning of the first annual reporting period beginning after April 25, 2019, for entities that have adopted ASU 2017-12.</p>	<p>The amendments to ASU 2016-01 are effective for fiscal years and interim periods beginning after December 15, 2019.</p> <p>For entities that have not yet adopted ASU 2016-13, the amendments are effective at the same time as ASU 2016-13. For entities that have adopted ASU 2016-13, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p> <p>The amendments to ASU 2017-12 are effective (1) at the same time as ASU 2017-12 for entities that have not yet adopted the ASU, and (2) as of the beginning of the first annual reporting period beginning after April 25, 2019, for entities that have adopted the ASU.</p>	Yes	May 7, 2019, Heads Up
ASU 2019-03, <i>Updating the Definition of Collections</i> (issued March 21, 2019)	Fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.	Fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.	Yes	March 21, 2019, DART news item
ASU 2019-02, <i>Improvements to Accounting for Costs of Films and License Agreements for Program Materials</i> (issued March 6, 2019)	Fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2020, and interim periods within those fiscal years.	Yes	March 6, 2019, DART news item
ASU 2019-01, <i>Leases (Topic 842): Codification Improvements</i> (issued March 5, 2019)	See effective date information for ASU 2016-02 below.	See effective date information for ASU 2016-02 below.	Yes	March 7, 2019, journal entry

ASU 2018-20, <i>Narrow-Scope Improvements for Lessors</i> (issued December 10, 2018)	<p>For entities that have not adopted ASC 842, the effective date is the same as the effective date in ASU 2016-02.</p> <p>An entity that has adopted ASC 842 can apply the amendments as of the original effective date of ASC 842 for the entity. Alternatively, the entity has the option of applying the amendments in either the first reporting period ending after the issuance of this ASU (e.g., December 31, 2018) or in the first reporting period beginning after the issuance of this ASU (e.g., January 1, 2019).</p>	<p>For entities that have not adopted ASC 842, the effective date is the same as the effective date in ASU 2016-02.</p> <p>An entity that has adopted ASC 842 can apply the amendments as of the original effective date of ASC 842 for the entity. Alternatively, the entity has the option of applying the amendments in either the first reporting period ending after the issuance of this ASU (e.g., December 31, 2018) or in the first reporting period beginning after the issuance of this ASU (e.g., January 1, 2019).</p>	No	December 14, 2018, Heads Up
ASU 2018-19, <i>Codification Improvements to Topic 326: Financial Instruments — Credit Losses</i> (issued November 15, 2018)	See effective date information for ASU 2016-13 below.	See effective date information for ASU 2016-13 below.	Yes, as of fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.	
ASU 2018-18, <i>Clarifying the Interaction Between Topic 808 and Topic 606</i> (issued November 5, 2018)	Fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.	Yes	November 13, 2018, Heads Up
ASU 2018-17, <i>Targeted Improvements to Related Party Guidance for Variable Interest Entities</i> (issued October 31, 2018)	Fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.	Yes	November 19, 2018, Heads Up
ASU 2018-16, <i>Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes</i> (issued October 25, 2018)	<p>For entities that have not yet adopted ASU 2017-12, the amendments in this ASU must be adopted concurrently with the amendments in ASU 2017-12.</p> <p>For entities that have adopted the amendments in ASU 2017-12, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.</p>	<p>For entities that have not yet adopted ASU 2017-12, the amendments in this ASU must be adopted concurrently with the amendments in ASU 2017-12.</p> <p>For entities that have adopted the amendments in ASU 2017-12, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.</p>	Yes	November 7, 2018, journal entry

ASU 2018-15, <i>Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract</i> (issued August 29, 2018)	Fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.	Yes	September 11, 2018, Heads Up
ASU 2018-14, <i>Disclosure Framework — Changes to the Disclosure Requirements for Defined Benefit Plans</i> (issued August 28, 2018)	Fiscal years ending after December 15, 2020.	Fiscal years ending after December 15, 2021.	Yes	August 29, 2018, Heads Up
ASU 2018-13, <i>Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement</i> (issued August 28, 2018)	Fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019.	Fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019.	Yes	August 31, 2018, Heads Up
ASU 2018-12, <i>Targeted Improvements to the Accounting for Long-Duration Contracts</i> (issued August 15, 2018; effective date amended by ASU 2019-09 and ASU 2020-11)	For PBEs that meet the definition of an SEC filer, excluding entities eligible to be SRCs as defined by the SEC, the amendments in this ASU are effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025.	Yes	August 2018 and November 2019 Insurance Spotlight newsletters
ASU 2018-11, <i>Leases (Topic 842): Targeted Improvements</i> (issued July 30, 2018)	<p>The amendments in this ASU related to separating components of a contract affect the amendments in ASU 2016-02.</p> <p>For entities that have not adopted ASC 842 before the issuance of this ASU, the effective date and transition requirements for the amendments in this ASU related to separating components of a contract are the same as the effective date and transition requirements in ASU 2016-02.</p>	<p>The amendments in this ASU related to separating components of a contract affect the amendments in ASU 2016-02.</p> <p>For entities that have not adopted ASC 842 before the issuance of this ASU, the effective date and transition requirements for the amendments in this ASU related to separating components of a contract are the same as the effective date and transition requirements in ASU 2016-02.</p>	Yes	August 7, 2018, Heads Up

ASU 2018-10, <i>Codification Improvements to Topic 842, Leases</i> (issued July 18, 2018)	The amendments in this ASU affect the amendments in ASU 2016-02. For entities that early adopted ASC 842, the amendments are effective upon issuance of this ASU, and the transition requirements are the same as those in ASC 842. For entities that have not adopted ASC 842, the effective date and transition requirements will be the same as the effective date and transition requirements in ASC 842.	The amendments in this ASU affect the amendments in ASU 2016-02. For entities that early adopted ASC 842, the amendments are effective upon issuance of this ASU, and the transition requirements are the same as those in ASC 842. For entities that have not adopted ASC 842, the effective date and transition requirements will be the same as the effective date and transition requirements in ASC 842.	Yes	
ASU 2018-08, <i>Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made</i> (issued June 21, 2018)	For entities that serve as a resource recipient, the amendments should be applied to contributions received for annual periods beginning after June 15, 2018, and interim periods within those fiscal years. For entities that serve as a resource provider, the amendments should be applied to contributions made for annual periods beginning after December 15, 2018, and interim periods within those fiscal years.	For entities that serve as a resource recipient, the amendments should be applied to annual periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. For entities that serve as a resource provider, the amendments should be applied to annual periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.	Yes	
ASU 2018-07, <i>Improvements to Nonemployee Share-Based Payment Accounting</i> (issued June 20, 2018)	Fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.	Yes, but no earlier than the date on which an entity adopts ASC 606.	June 21, 2018, Heads Up and A Roadmap to Accounting for Share-Based Payment Awards

ASU 2018-03, <i>Technical Corrections and Improvements to Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities</i> (issued February 28, 2018)	<p>Fiscal years beginning after December 15, 2017, and interim periods within those fiscal years beginning after June 15, 2018.</p> <p>Entities with fiscal years beginning between December 15, 2017, and June 15, 2018, are not required to adopt these amendments until the interim period beginning after June 15, 2018, and entities with fiscal years beginning between June 15, 2018, and December 15, 2018, are not required to adopt these amendments before adopting the amendments in ASU 2016-01.</p> <p>For all other entities, the effective date is the same as the effective date in ASU 2016-01.</p>	The effective date is the same as the effective date in ASU 2016-01.	Yes, if the entity has adopted ASU 2016-01.	March 1, 2018, journal entry
ASU 2018-01, <i>Land Easement Practical Expedient for Transition to Topic 842</i> (issued January 25, 2018)	See effective date information for ASU 2016-02 below.	See effective date information for ASU 2016-02 below.	Yes	
ASU 2017-14, <i>Income Statement — Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue From Contracts With Customers (Topic 606): Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 116 and SEC Release No. 33-10403</i> (issued November 22, 2017)	See effective date information for ASU 2014-09 below.	See effective date information for ASU 2014-09 below.	Yes	
ASU 2017-13, <i>Revenue Recognition (Topic 605), Revenue From Contracts With Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments</i> (issued September 29, 2017)	Effective upon adoption of ASU 2014-09 and ASU 2016-02, respectively (see related effective date information below).	Effective upon adoption of ASU 2014-09 and ASU 2016-02, respectively (see related effective date information below).	Yes	July 20, 2017, Heads Up

ASU 2017-12, <i>Targeted Improvements to Accounting for Hedging Activities</i> (issued August 28, 2017; effective date amended by ASU 2019-10)	Fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.	Yes	February 20, 2018, journal entry and August 30, 2017 , and November 19, 2019 , <i>Heads Up</i> newsletters
ASU 2017-11, (Part I) <i>Accounting for Certain Financial Instruments With Down Round Features</i> , (Part II) <i>Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests With a Scope Exception</i> (issued July 13, 2017)	The amendments in Part I are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. No transition guidance is required for the amendments in Part II because those amendments do not have an accounting effect.	The amendments in Part I are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. No transition guidance is required for the amendments in Part II because those amendments do not have an accounting effect.	Yes	July 21, 2017, Heads Up , A Roadmap to Accounting for Contracts on an Entity's Own Equity , and A Roadmap to Distinguishing Liabilities From Equity
ASU 2017-10, <i>Determining the Customer of the Operation Services</i> — a consensus of the FASB Emerging Issues Task Force (issued May 16, 2017)	For PBEs that have not adopted ASU 2014-09, the amendments are effective at the same time ASU 2014-09 is effective. For entities that have adopted ASU 2014-09, the amendments are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, for a PBE; an NFP entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market; and an employee benefit plan that files or furnishes financial statements with or to the SEC.	For non-PBEs that have not adopted ASU 2014-09, the amendments are effective at the same time ASU 2014-09 is effective. For all other entities that have adopted ASU 2014-09, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.	Yes	March 2017 EITF Snapshot
ASU 2017-08, <i>Premium Amortization on Purchased Callable Debt Securities</i> (issued March 30, 2017)	Fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.	Fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.	Yes	April 4, 2017, Heads Up
ASU 2017-05, <i>Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets</i> (issued February 22, 2017)	See effective date information for ASU 2014-09 below.	See effective date information for ASU 2014-09 below.	Yes	February 28, 2017, Heads Up and A Roadmap to Applying the New Revenue Recognition Standard

ASU 2017-04, <i>Simplifying the Test for Goodwill Impairment</i> (issued January 26, 2017; effective date amended by ASU 2019-10)	For PBEs that are SEC filers, excluding entities eligible to be SRCs as defined by the SEC, the amendments in the ASU are effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2019. For PBEs that are not SEC filers, the ASU's amendments are effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2022.	Annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2022.	Yes, for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.	February 1, 2017 , and November 19, 2019 , <i>Heads Up</i> newsletters
ASU 2016-20, <i>Technical Corrections and Improvements to Topic 606, Revenue From Contracts With Customers</i> (issued December 21, 2016)	See status column for ASU 2014-09 below.	See status column for ASU 2014-09 below.	Yes	January 5, 2017, journal entry
ASU 2016-13, <i>Measurement of Credit Losses on Financial Instruments</i> (issued June 16, 2016; effective date amended by ASU 2018-19 and ASU 2019-10)	For PBEs that are SEC filers, excluding entities eligible to be SRCs, the amendments in the ASU are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other PBEs, the amendments in the ASU are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.	For all other entities, including NFP entities and employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, the amendments in the ASU are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.	Yes, as of fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.	A Roadmap to Accounting for Current Expected Credit Losses and June 17, 2016 , and November 19, 2019 , <i>Heads Up</i> newsletters
ASU 2016-12, <i>Revenue From Contracts With Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients</i> (issued May 9, 2016)	See effective date information for ASU 2014-09 below.	See effective date information for ASU 2014-09 below.	Yes	May 11, 2016, Heads Up
ASU 2016-11, <i>Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting</i> (issued May 2, 2016)	Effective at the same time as ASU 2014-09 and ASU 2014-16.	Effective at the same time as ASU 2014-09 and ASU 2014-16.	Yes	

ASU 2016-10, <i>Identifying Performance Obligations and Licensing</i> (issued April 14, 2016)	See effective date information for ASU 2014-09 below.	See effective date information for ASU 2014-09 below.	Yes	April 15, 2016, Heads Up
ASU 2016-08, <i>Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)</i> (issued March 17, 2016)	See effective date information for ASU 2014-09 below.	See effective date information for ASU 2014-09 below.	Yes	March 22, 2016, Heads Up
ASU 2016-02, <i>Leases</i> (issued February 25, 2016; effective date amended by ASU 2019-10 and ASU 2020-05)	<p>Effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, for any of the following:</p> <ul style="list-style-type: none"> • PBEs. • Employee benefit plans that file financial statements with the SEC. <p>For NFP entities that have issued, or are a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market that have not yet issued financial statements (or made financial statements available for issuance as of June 3, 2020), this ASU is effective for fiscal years beginning after December 15, 2019.</p>	For all other entities, the amendments in the ASU are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.	Yes	A Roadmap to Applying the New Leasing Standard and November 19, 2019, Heads Up
ASU 2015-14, <i>Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date</i> (issued August 12, 2015)	See effective date information for ASU 2014-09 below.	See effective date information for ASU 2014-09 below.	Yes	August 13, 2015, journal entry

ASU 2014-09, <i>Revenue From Contracts With Customers</i> (issued on May 28, 2014; effective date amended by ASU 2015-14 and ASU 2020-05)	For PBEs, certain NFP entities, and certain employee benefit plans, the ASU is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017.	Non-PBEs that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of the revenue standard as of June 3, 2020, may elect to adopt the guidance for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020.	For PBEs, certain NFP entities, and certain employee benefit plans, early application is permitted only as of annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016. All other entities may apply the ASU early as of an annual reporting period beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities also may apply the guidance in the ASU early as of an annual reporting period beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the annual reporting period in which the entity first applies the guidance in the ASU.	A Roadmap to Applying the New Revenue Recognition Standard
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PCAOB	Effective Date for PBEs	Early Adoption Allowed (Yes/No)	Deloitte Resources
Final Guidance			
Release 2018-006, <i>Amendments to Auditing Standards for Auditor's Use of the Work of Specialists</i> (issued December 20, 2018, and approved by the SEC on July 1, 2019)	Effective for audits of financial statements for fiscal years ending on or after December 15, 2020.	No	January 16, 2019, Audit & Assurance Update
Release 2018-005, <i>Auditing Accounting Estimates, Including Fair Value Measurements — and Amendments to PCAOB Auditing Standards</i> (issued December 20, 2018, and approved by the SEC on July 1, 2019)	Effective for audits of financial statements for fiscal years ending on or after December 15, 2020.	No	January 16, 2019, Audit & Assurance Update

Release 2017-001, <i>The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion and Related Amendments to PCAOB Standards</i> (issued June 1, 2017, and approved by the SEC on October 23, 2017)	Effective for audits of fiscal years ending on or after December 15, 2017, except for the paragraphs in the critical audit matters' section, which are effective for audits of large accelerated filers for fiscal years ending on or after June 30, 2019, and for audits of all other companies for fiscal years ending on or after December 15, 2020.	Yes	June 20, 2017, Heads Up
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AICPA	Effective Date for Non-PBEs	Deloitte Resources
Final Guidance		
SAS 143, <i>Auditing Accounting Estimates and Related Disclosures</i> (issued July 2020)	Effective for audits of financial statements for periods ending on or after December 15, 2023.	
SAS 142, <i>Audit Evidence</i> (issued July 2020)	Effective for audits of financial statements for periods ending on or after December 15, 2022.	July 10, 2020, DART news item
SAS 141, <i>Amendment to the Effective Dates of SAS Nos. 134–140</i> (issued May 1, 2020)	This SAS amends the effective dates of SASs 134–140 by one year to provide more time for firms to implement these SASs in light of the effects of the coronavirus pandemic.	May 1, 2020, DART news item
SAS 140, <i>Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes From SAS Nos. 134 and 137</i> (issued April 8, 2020; effective date amended by SAS 141)	Effective for periods ending on or after December 15, 2021.	
SAS 139, <i>Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes From SAS No. 134</i> (issued March 10, 2020; effective date amended by SAS 141)	Effective for periods ending on or after December 15, 2021.	March 12, 2019, DART news item
SAS 138, <i>Amendments to the Description of the Concept of Materiality</i> (issued December 5, 2019; effective date amended by SAS 141)	Effective for audits of financial statements for periods ending on or after December 15, 2021.	December 6, 2019, DART news item

SAS 137, <i>The Auditor's Responsibilities Relating to Other Information Included in Annual Reports</i> (issued July 10, 2019; effective date amended by SAS 141)	Effective for audits of financial statements for periods ending on or after December 15, 2021. Early adoption is permitted.	July 10, 2019, DART news item
SAS 136, <i>Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA</i> (issued July 10, 2019; effective date amended by SAS 141)	Effective for audits of ERISA plan financial statements for periods ending on or after December 15, 2021. Early adoption is permitted.	July 10, 2019, DART news item
SAS 135, <i>Omnibus Statement on Auditing Standards — 2019</i> (issued May 8, 2019; effective date amended by SAS 141)	Effective for audits of financial statements for periods ending on or after December 15, 2021. Early adoption is permitted.	May 10, 2019, DART news item
SAS 134, <i>Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements</i> (issued May 8, 2019; effective date amended by SAS 141)	Effective for audits of financial statements for periods ending on or after December 15, 2021. Early adoption is permitted.	May 10, 2019, DART news item

SEC	Effective Date	Deloitte Resources
Final Guidance		
Final Rule, <i>Delegation of Authority to Director of the Division of Enforcement</i> (33-10900) (issued December 10, 2020)	Date of publication in the <i>Federal Register</i> .	
Final Rule, <i>Market Data Infrastructure</i> (34-90610) (issued December 9, 2020)	60 days after publication in the <i>Federal Register</i> .	December 10, 2020 DART news item
Final Rule, <i>Good Faith Determinations of Fair Value</i> (IC-34128) (Issued December 3, 2020)	60 days after publication in the <i>Federal Register</i> .	December 4, 2020 DART news item
Final Rule, <i>Management's Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information</i> (33-10890) (issued November 19, 2020)	30 days after the date of publication in the <i>Federal Register</i> .	November 24, 2020, Heads Up

Final Rule, <i>Amendments to the Commission's Rules of Practice</i> (34-90442) (issued November 17, 2020)	30 days after the date of publication in the <i>Federal Register</i> .	November 18, 2020, DART news item
Final Rule, <i>Electronic Signatures in Regulation S-T Rule 302</i> (33-10889) (issued November 17, 2020)	December 4, 2020.	November 18, 2020, DART news item
Final Rule, <i>Use of Derivatives by Registered Investment Companies and Business Development Companies</i> (IC-34084) (issued November 2, 2020)	60 days after the date of publication in the <i>Federal Register</i> .	
Final Rule, <i>Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets</i> (33-10884) (issued November 2, 2020)	60 days after the date of publication in the <i>Federal Register</i> .	November 2, 2020, DART news item
Final Rule, <i>Customer Margin Rules Relating to Security Futures</i> (34-90244) (issued October 22, 2020)	December 24, 2020.	October 22, 2020, DART news item
Final Rule, <i>Qualifications of Accountants</i> (33-10876) (issued October 16, 2020)	180 days after the date of publication in the <i>Federal Register</i> .	October 16, 2020, DART news item
Final Rule, <i>Fund of Funds Arrangements</i> (33-10871) (issued October 7, 2020)	January 19, 2021.	October 7, 2020, DART news item
Final Rule, <i>Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8</i> (34-89964) (issued September 23, 2020)	January 4, 2021, with one exception detailed in the rule.	September 23, 2020, DART news item
Final Rule, <i>Whistleblower Program Rules</i> (34-89963) (issued September 23, 2020)	December 7, 2020, with certain exceptions detailed in the rule.	September 23, 2020, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-10845) (issued September 18, 2020)	November 3, 2020.	
Final Rule, <i>Publication or Submission of Quotations Without Specified Information</i> (33-10842) (issued September 16, 2020)	December 28, 2020.	September 17, 2020, DART news item

Final Rule, <i>Update of Statistical Disclosures for Bank and Savings and Loan Registrants</i> (33-10835) (issued September 11, 2020)	November 16, 2020, with certain exceptions detailed in the rule.	October 8, 2020, Heads Up
Final Rule, <i>Modernization of Regulation S-K Items 101, 103, and 105</i> (33-10825) (issued August 26, 2020)	November 9, 2020	September 3, 2020, Heads Up
Final Rule, <i>Amending the “Accredited Investor” Definition</i> (33-10824) (issued August 26, 2020)	December 8, 2020.	August 26, 2020, DART news item
Final Rule, <i>Rescission of Effective-Upon-Filing Procedure for NMS Plan Fee Amendments and Modified Procedures for Proposed NMS Plans and Plan Amendments</i> (34-89618) (issued August 19, 2020)	November 16, 2020.	August 20, 2020, DART news item
Final Rule, <i>Covered Broker-Dealer Provisions Under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act</i> (34-89394) (issued July 24, 2020)	October 30, 2020.	July 24, 2020, DART news item
Final Rule, <i>Exemptions From the Proxy Rules for Proxy Voting Advice</i> (34-89372) (issued July 22, 2020)	November 2, 2020.	July 22, 2020, DART news item
Final Rule, <i>Amendments to Procedures With Respect to Applications Under the Investment Company Act of 1940</i> (IC-33921) (issued July 6, 2020)	June 14, 2021.	July 7, 2020, DART news item
Final Rule, <i>Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds</i> (issued June 25, 2020) (BHCA-9)	October 1, 2020.	
Final Rule, <i>Amendments to Financial Disclosures About Acquired and Disposed Businesses</i> (33-10786) (issued May 20, 2020)	January 1, 2021.	May 21, 2020, DART news item
Final Rule, <i>Amendments to the National Market System Plan Governing the Consolidated Audit Trail</i> (34-88890) (issued May 15, 2020)	June 22, 2020.	May 18, 2020, DART news item

Interim Final Rule, <i>Temporary Amendments to Regulation Crowdfunding</i> (33-10781) (issued May 4, 2020)	The amendments are effective from May 4, 2020, through March 1, 2021, and apply to securities offerings initiated under Regulation Crowdfunding between May 4, 2020, and August 31, 2020.	May 4, 2020, DART news item
Final Rule, <i>Definition of "Covered Clearing Agency"</i> (34-88616) (issued April 9, 2020)	July 13, 2020.	
Final Rule, <i>Securities Offering Reform for Closed-End Investment Companies</i> (33-10771) (issued April 8, 2020)	August 1, 2020, except for amendatory instructions 21, 22, 30, 31, 33, 34, 41, 42, and 45, which are effective August 1, 2021.	April 9, 2020, DART news item
Final Rule, <i>Amendments to the Accelerated Filer and Large Accelerated Filer Definitions</i> (34-88365) (issued March 12, 2020)	April 27, 2020.	March 19, 2020, Heads Up
Final Rule, <i>Updated Disclosure Requirements and Summary Prospectus for Variable Annuity and Variable Life Insurance Contracts</i> (33-10765) (issued March 11, 2020)	July 1, 2020, except as defined in the rule.	March 12, 2020, DART news item
Final Rule, <i>Financial Disclosures About Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralize a Registrant's Securities</i> (33-10762) (issued March 2, 2020)	January 4, 2021.	March 10, 2020, Heads Up
Final Rule, <i>Exemptions From Investment Adviser Registration for Advisers to Certain Rural Business Investment Companies</i> (IA-5454) (issued March 2, 2020)	March 10, 2020.	March 2, 2020, DART news item
Final Rule, <i>Delegation of Authority to the General Counsel of the Commission</i> (33-10757) (issued February 19, 2020)	March 2, 2020.	February 20, 2020, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-10749) (issued January 27, 2020)	February 19, 2020.	January 27, 2020, DART news item

Final Rule, <i>Risk Mitigation Techniques for Uncleared Security-Based Swaps</i> (34-87782) (issued December 18, 2019)	April 6, 2020.	December 19, 2019, DART news item
Final Rule, <i>Rule Amendments and Guidance Addressing Cross-Border Application of Certain Security-Based Swap Requirements</i> (34-87780) (issued December 18, 2019)	April 6, 2020.	December 19, 2019, DART news item
Final Rule, <i>Exchange-Traded Funds</i> (33-10695) (issued September 25, 2019)	December 23, 2019.	September 26, 2019, DART news item
Final Rule, <i>Recordkeeping and Reporting Requirements for Security-Based Swap Dealers, Major Security-Based Swap Participants, and Broker-Dealers</i> (34-87005) (issued September 19, 2019)	February 14, 2020.	September 19, 2019, DART news item
Final Rule, <i>Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds</i> (BHCA-7) (issued September 18, 2019)	January 1, 2020.	
Final Rule, <i>Investment Company Reporting Modernization</i> (33-10442) (issued December 8, 2017)	January 16, 2018, to March 31, 2026.	

IASB/IFRIC	Effective Date	Early Adoption (Yes/No)	Deloitte Resources
Final Guidance			
<i>Interest Rate Benchmark Reform — Phase 2</i> — amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (issued August 27, 2020)	Annual reporting periods beginning on or after January 1, 2021.	Yes	September 2, 2020, IFRS in Focus
<i>Classification of Liabilities as Current or Non-Current — Deferral of Effective Date</i> — amendment to IAS 1 (issued July 15, 2020)	Annual reporting periods beginning on or after January 1, 2023.	Yes	July 22, 2020, IFRS in Focus
<i>Amendments to IFRS 17</i> (issued June 25, 2020)	Annual reporting periods beginning on or after January 1, 2023.	Yes, for entities that apply IFRS 9 and IFRS 15.	June 29, 2020, IFRS in Focus

<i>Extension of the Temporary Exemption From Applying IFRS 9</i> — amendments to IFRS 4 (issued June 25, 2020)	Annual reporting periods beginning before January 1, 2023.	Yes	
<i>Covid-19-Related Rent Concessions</i> — amendment to IFRS 16 (issued May 28, 2020)	June 1, 2020, but the amendment can be applied immediately in any interim or annual financial statements that are not yet authorized for issue.	Yes	May 29, 2020, IFRS in Focus
<i>Updating a Reference to the Conceptual Framework</i> — amendments to IFRS 3 (issued May 14, 2020)	Annual reporting periods beginning on or after January 1, 2022.	Yes	May 19, 2020, IFRS in Focus
<i>Property, Plant and Equipment: Proceeds Before Intended Use</i> — amendments to IAS 16 (issued May 14, 2020)	Annual reporting periods beginning on or after January 1, 2022.	Yes	May 19, 2020, IFRS in Focus
<i>Onerous Contracts</i> — <i>Cost of Fulfilling a Contract</i> — amendments to IAS 37 (issued May 14, 2020)	Annual reporting periods beginning on or after January 1, 2022.	Yes	May 19, 2020, IFRS in Focus
<i>Annual Improvements to IFRS Standards 2018–2020</i> (issued May 14, 2020)	Annual reporting periods beginning on or after January 1, 2022.	Yes	May 19, 2020, IFRS in Focus
<i>Classification of Liabilities as Current or Non-Current</i> — amendments to IAS 1 (issued January 23, 2020; effective date amended on July 15, 2020)	Annual reporting periods beginning on or after January 1, 2023.	Yes	January 29, 2020, IFRS in Focus
<i>Interest Rate Benchmark Reform</i> — amendments to IFRS 9, IAS 39 and IFRS 7 (issued September 26, 2019)	Annual periods beginning on or after January 1, 2020.	Yes	September 26, 2019, IFRS in Focus
<i>Definition of Material</i> — amendments to IAS 1 and IAS 8 (issued October 31, 2018)	Annual periods beginning on or after January 1, 2020.	Yes	November 13, 2018, IFRS in Focus
<i>Definition of a Business</i> — amendments to IFRS 3 (issued October 22, 2018)	Annual periods beginning on or after January 1, 2020.	Yes	October 24, 2018, IFRS in Focus
<i>Amendments to References to the Conceptual Framework in IFRS Standards</i> (issued March 29, 2018)	Annual reporting periods beginning on or after January 1, 2020.	Yes	May 14, 2018, IFRS in Focus
IFRS 17, <i>Insurance Contracts</i> (issued May 18, 2017; effective date amended on June 25, 2020)	Annual reporting periods beginning on or after January 1, 2023.	Yes, for entities that apply IFRS 9 and IFRS 15.	May 18, 2017, IFRS in Focus

Appendix B: Current Status of FASB Projects

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

Project	Status and Next Steps	Deloitte Resources
Recognition and Measurement Projects		
Accounting by a joint venture for assets contributed by investors	On July 22, 2020, the FASB decided that, upon formation, a joint venture should account for contributions of monetary and nonmonetary assets at fair value as if the joint venture was the acquirer of a business within the scope of ASC 805-10. The FASB will discuss sweep issues, disclosures, and transition at a future meeting.	
Codification improvements	<p>General</p> <p>The FASB has a standing project on its agenda to make regular updates and improvements to the Codification (e.g., technical corrections and clarifications). On October 29, 2020, the FASB issued ASU 2020-10, which makes improvements to various Codification topics.</p> <p>Amendments to Remove References to the Concepts Statements</p> <p>On August 26, 2020, the FASB directed the staff to perform additional analysis of draft amendments included in its November 26, 2019, proposed ASU on Codification improvements related to removing references to the concepts statements.</p> <p>Credit Losses</p> <p>The FASB is developing a proposed ASU on credit loss vintage disclosure.</p> <p>Hedge Accounting</p> <p>On November 12, 2019, the FASB issued a proposed ASU that would make limited amendments to its hedge accounting guidance in response to stakeholder feedback on ASU 2017-12. Comments were due by January 13, 2020.</p> <p>Premium Amortization on Purchased Callable Debt Securities</p> <p>On October 15, 2020, the FASB issued ASU 2020-08 to clarify that an entity should reevaluate whether a callable debt security that has multiple call dates is within the scope of ASC 310-20-35-33 for each reporting period.</p>	<p>Heads Up — <i>FASB Proposes Improvements to Hedge Accounting Guidance</i> (November 26, 2019)</p>
Consolidation of a not-for-profit entity by a for-profit sponsor	On October 21, 2020, the FASB decided to add this project to its agenda.	

Consolidation reorganization and targeted improvements	On September 20, 2017, the FASB issued a proposed ASU that would reorganize the consolidation guidance in ASC 810 by dividing it into separate subtopics for voting interest entities and variable interest entities. The new subtopics would be included in a new topic, ASC 812, which would supersede ASC 810. Comments on the proposal were due by December 4, 2017. On June 27, 2018, the FASB decided to continue the project.
Distinguishing liabilities from equity (phase 2)	On February 5, 2020, the FASB decided to add to its agenda a project to explore improvements to ASC 815-40. On August 26, 2020, the FASB decided that the objective of this project is to improve and align the indexation guidance in ASC 480 and ASC 815-40.
Effective date deferrals	Insurance On November 5, 2020, the FASB issued ASU 2020-11 , which defers for one year the effective date of ASU 2018-12 for all insurance entities.
Fair value measurements: effect of underwriter restrictions	On July 29, 2020, the FASB decided to add a project to its agenda on the effect of underwriter restrictions on fair value measurements.
Goodwill — triggering event assessment alternative for private companies and not-for-profit entities	On November 18, 2020, the FASB decided to add a project on the introduction of an accounting alternative to interim goodwill impairment testing for private companies and not-for-profit entities. The FASB expects to issue a proposed ASU in the fourth quarter of 2020.
Hedging: last-of-layer method	On March 28, 2018, the FASB decided to add a narrow-scope project to address the accounting for last-of-layer basis adjustments and hedging multiple layers under the last-of-layer method in accordance with ASU 2017-12. The Board most recently discussed this project on February 22, 2020.
Identifiable intangible assets and subsequent accounting for goodwill	On July 9, 2019, the FASB issued an invitation to comment on the subsequent accounting for goodwill, the recognition of intangible assets in a business combination, and disclosures about goodwill and intangible assets. Comments were due by October 7, 2019. On July 15, 2020, the FASB discussed feedback received.
Improving the accounting for asset acquisitions and business combinations	On September 2, 2020, the FASB affirmed that the objective of this project is to improve the accounting for asset acquisitions and business combinations by narrowing differences between existing models.

Issuer's accounting for certain modifications of freestanding equity-classified forwards and options (EITF Issue 19-C)	On October, 26, 2020, the FASB issued a proposed ASU that would provide guidance on whether a modification or exchange should be recognized as an adjustment to equity or an expense. Comments are due by December 28, 2020.	<i>EITF Snapshot</i> (September 2020)
Leases: targeted improvements	On October 20, 2020, the FASB issued a proposed ASU that would make targeted improvements to the leasing guidance in ASC 842. Topics addressed in the project include (1) variable lease payments, (2) remeasurement of lease payments on the basis of a reference index or rate, and (3) early termination of some leases within a contract. Comments were due by December 4, 2020.	<i>Heads Up</i> — <i>FASB Proposes Targeted Improvements to Leasing Guidance</i> (November 2, 2020)
Practical expedient to measure grant-date fair value of equity-classified share-based awards (PCC Issue 2018-01)	On August 17, 2020, the FASB issued a proposed ASU under which nonpublic entities could determine the grant-date fair value of an equity-classified share-based award by using a valuation performed in accordance with certain Treasury regulations of Internal Revenue Code Section 409A. Comments were due by October 1, 2020.	<i>Heads Up</i> — <i>FASB Proposes a Practical Expedient for Determining the Share Price Input for Measuring Equity-Classified Share-Option Awards for Private Companies</i> (August 18, 2020)
Recognition and measurement of revenue contracts with customers under ASC 805	On September 23, 2020, the FASB decided to add a project to its technical agenda to address certain issues related to the accounting for acquired revenue contracts with customers in a business combination and directed the staff to draft a proposed ASU for a vote by written ballot. The FASB expects to issue the proposed ASU in the fourth quarter of 2020.	
Reference rate reform	<p>Fair Value Hedging</p> <p>On July 29, 2020, the FASB decided to consider developing a principle for benchmark interest rates eligible for fair value hedge accounting.</p> <p>ASC 848 Scope Refinement</p> <p>On October 29, 2020, the FASB issued a proposed ASU that would clarify the scope of the guidance on reference rate reform in ASC 848. Comments were due by November 13, 2020.</p> <p>On December 9, 2020, the FASB discussed comment letter feedback and directed the staff to draft a final ASU for a vote by written ballot. The FASB expects to issue the final ASU in the first quarter of 2021.</p>	<i>Heads Up</i> — <i>FASB Issues Proposal to Refine the Scope of ASC 848 in Response to Reference Rate Reform</i> (November 6, 2020)
Revenue recognition: contract modifications of licenses of intellectual property (EITF Issue 19-B)	On May 8, 2019, the FASB decided to add this project to the EITF's agenda to address the accounting for contract modifications of licenses of intellectual property (including additional rights granted and revocation of licensing rights).	<i>EITF Snapshot</i> (November 2019)

Revenue recognition: practical expedient for private-company franchisors	<p>On September 21, 2020, the FASB issued a proposed ASU that would allow a franchisor that is not a public business entity (“private-company franchisor”) to use a practical expedient when identifying performance obligations in its contracts with customers (i.e., franchisees) under ASC 606. Comments were due by November 5, 2020.</p> <p>On December 9, 2020, the FASB discussed comment letter feedback and directed the staff to draft a final ASU for a vote by written ballot. The FASB expects to issue the final ASU in the first quarter of 2021.</p>	<i>Heads Up — FASB Proposes a Practical Expedient for Private-Company Franchisors on the Identification of Performance Obligations Under ASC 606 (September 22, 2020)</i>
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Presentation and Disclosure Projects

Disclosure framework: disclosure review — income taxes	<p>On July 26, 2016, the FASB issued a proposed ASU that would modify existing and add new income tax disclosure requirements. Comments on the proposed ASU were due by September 30, 2016. On March 25, 2019, the FASB issued a revised proposed ASU on this topic; comments were due by May 31, 2019. On February 12, 2020, the FASB discussed comment-letter feedback and directed the staff to perform additional research and outreach.</p>	<i>Heads Up — FASB Proposes Changes to Income Tax Disclosure Requirements (March 29, 2019)</i>
Disclosure framework: disclosure review — inventory	<p>On January 10, 2017, the FASB issued a proposed ASU that would modify or eliminate certain disclosure requirements related to inventory and establish new requirements. Comments on the proposed ASU were due by March 13, 2017. On June 21, 2017, the Board discussed a summary of comments received.</p>	<i>Heads Up — FASB Proposes Updates to Inventory Disclosures (January 12, 2017)</i>
Disclosure framework: disclosures — interim reporting	<p>On August 19, 2020, the FASB decided to add a principle to ASC 270 under which an entity would be required to disclose significant events or transactions that have material effects and to clarify that the disclosure requirements are subject to a materiality assessment in which the financial statements of the previous annual period are considered.</p>	
Disclosure improvements in response to SEC’s release on disclosure update and simplification	<p>On May 6, 2019, the FASB issued a proposed ASU that would make Codification amendments in response to the SEC’s disclosure update and simplification initiative. Comments on the proposal were due by June 28, 2019.</p>	
Disclosure of supplier finance programs involving trade payables	<p>On October 21, 2020, the FASB decided to add this project to its agenda.</p>	

Disclosures by business entities about government assistance	On November 12, 2015, the FASB issued a proposed ASU that would require specific disclosures about government assistance received by businesses. Comments on the proposed ASU were due by February 10, 2016. The FASB most recently discussed this project on February 27, 2019.	Heads Up — <i>FASB Proposes ASU to Increase Transparency of Accounting for Government Assistance Arrangements</i> (November 20, 2015)
Financial performance reporting: disaggregation of performance information	The FASB added this project to its technical agenda on September 20, 2017, “to focus on the disaggregation of performance information either through presentation in the statement of income or disclosure in the notes.” On December 11, 2019, the FASB decided to pause research on the project to monitor the progression of its segment reporting project and certain IASB activities.	
Segment reporting	The FASB added this project to its technical agenda on September 20, 2017. The purpose of the project is to improve “the aggregation criteria and segment disclosures.” On October 7, 2020, the FASB discussed a principles-based disclosure approach under which public entities would be required to disclose significant segment expense categories by reportable segment.	A Roadmap to Segment Reporting
Simplifying the balance sheet classification of debt	On January 10, 2017, the FASB issued a proposed ASU that would reduce the complexity of determining whether debt should be classified as current or noncurrent in a classified balance sheet. On September 12, 2019, the FASB issued a revised proposed ASU on this topic. Comments were due by October 28, 2019.	Heads Up — <i>FASB Reexposes Proposed ASU on Simplification of the Balance Sheet Classification of Debt</i> (September 19, 2019)

Framework Projects

Conceptual framework	<p>Presentation</p> <p>On August 11, 2016, the FASB issued a proposed concepts statement that would add a new chapter on presentation of financial statement information to the conceptual framework. Comments were due by November 9, 2016. On December 9, 2020, the FASB discussed comment letter feedback and directed the staff to draft a final concepts statement chapter for a vote by written ballot. The FASB expects to issue the chapter in the fourth quarter of 2020.</p> <p>Measurement</p> <p>On June 18, 2014, the Board decided to begin developing concepts related to measurement. The Board most recently discussed this project on November 13, 2019.</p> <p>Elements</p> <p>On July 16, 2020, the FASB issued a proposed concepts statement chapter on elements of financial statements. Comments were due by November 13, 2020.</p>
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Appendix C: New and Updated Deloitte U.S. Accounting Publications

Roadmap Series

- A Roadmap to the Accounting for Transfers and Servicing of Financial Assets* (December 2020)
- A Roadmap to Applying the New Revenue Recognition Standard* (December 2020)
- A Roadmap to Accounting for Current Expected Credit Losses* (December 2020)
- A Roadmap to Accounting for Income Taxes* (November 2020)
- A Roadmap to Accounting for Share-Based Payment Awards* (November 2020)
- A Roadmap to SEC Comment Letter Considerations, Including Industry Insights* (November 2020)
- A Roadmap to the Issuer's Accounting for Debt* (November 2020)
- A Roadmap to Accounting for Business Combinations* (November 2020)
- A Roadmap to Accounting for Equity Method Investments and Joint Ventures* (November 2020)
- A Roadmap to Comparing IFRS Standards and U.S. GAAP: Bridging the Differences* (November 2020)
- A Roadmap to SEC Reporting Considerations for Equity Method Investees* (October 2020)
- A Roadmap to Accounting for Contingencies, Loss Recoveries, and Guarantees* (October 2020)
- A Roadmap to Impairments and Disposals of Long-Lived Assets and Discontinued Operations* (October 2020)

Annual Industry Updates for the Financial Services Industry

- Insurance — Accounting and Financial Reporting Update* (November 2020)
- Real Estate — Accounting and Financial Reporting Update* (November 2020)
- Banking & Capital Markets — Accounting and Financial Reporting Update* (November 2020)
- Investment Management — Accounting and Financial Reporting Update* (November 2020)

Heads Up Newsletters

- Highlights of the 2020 AICPA Conference on Current SEC and PCAOB Developments* (December 13, 2020)
- FASB Issues Guidance on Not-for-Profit Entities' Presentation of and Disclosures About Contributed Nonfinancial Assets* (December 4, 2020)
- SEC Modernizes MD&A and Related Financial Disclosure Requirements* (November 24, 2020)
- FASB Issues Proposal to Refine the Scope of ASC 848 in Response to Reference Rate Reform* (November 6, 2020)
- #DeloitteESGNow — Human Capital Measures Up* (November 3, 2020)
- FASB Proposes Targeted Improvements to Leasing Guidance* (November 2, 2020)
- SEC Issues Final Rule to Update Disclosures for Banking Registrants* (October 8, 2020)
- FASB Holds Public Roundtable to Discuss Lease Implementation Topics* (September 28, 2020)

Financial Reporting Alert Newsletters

Financial Reporting Considerations Related to Pension and Other Postretirement Benefits (November 13, 2020)

Accounting and SEC Reporting Considerations for SPAC Transactions (October 2, 2020)

Accounting Spotlight Newsletter

Current Expected Credit Losses — Postadoption Complexities (October 28, 2020)

Dbriefs for Financial Executives

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

Further information about the standard setters can be found on their respective Web sites as follows: www.fasb.org (FASB); www.fasb.org/eitf/agenda.shtml (EITF); www.aicpa.org (AICPA); www.sec.gov (SEC); <https://pcaobus.org/Pages/default.aspx> (PCAOB); www.fasab.gov (FASAB); www.gasb.org (GASB); and www.ifrs.org (IASB and IFRS Interpretations Committee).

Quarterly Accounting Roundup is prepared by members of Deloitte's National Office. The purpose of this publication is to briefly describe key regulatory and professional developments that have recently occurred in the field of accounting and to provide links to locations where additional information can be found on each topic. Readers seeking additional information about a topic should review the information referred to in the hyperlinks and not rely solely on the descriptions included in this communication.

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