

Financial Accounting Standards Board
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FOR IMMEDIATE RELEASE

FASB Accounting Standards Codification™
Expected to Officially Launch on July 1, 2009

Prior to that date, the FASB plans to declare the Codification as the official single source of authoritative nongovernmental U.S. GAAP

Norwalk, CT, December 4, 2008—U.S. accounting and reporting standards are undergoing a major restructuring, and the Financial Accounting Standards Board (FASB) is alerting constituents to significant changes that are expected to occur next year. On July 1, 2009, the *FASB Accounting Standards Codification™* is expected to officially become the single source of authoritative nongovernmental U.S. generally accepted accounting principles (GAAP), superseding existing FASB, American Institute of Certified Public Accountants (AICPA), Emerging Issues Task Force (EITF), and related literature. After that date, only one level of authoritative GAAP will exist. All other literature will be considered non-authoritative.

“When the Codification goes live on July 1, 2009, U.S. GAAP will be completely reconfigured in a way that will vastly improve the ease of researching U.S. GAAP issues, superseding existing authoritative literature—including FASB’s *Original Pronouncements*,” states FASB Chairman Robert Herz. “Preparers and auditors of financial statements need to familiarize themselves with the changes so that they are ready for the switch.”

On January 15, 2008, the FASB made the Codification available for free for an extended verification period, during which time constituents have been urged to provide feedback on the new system to confirm that the Codification accurately reflects existing U.S. GAAP for nongovernmental entities. After addressing issues raised during the constituent feedback process, the FASB expects to approve the *Codification* as the single authoritative source of U.S. GAAP prior to the July 1, 2009 launch.

The Codification reorganizes the thousands of U.S. GAAP pronouncements into roughly 90 accounting topics and displays all topics using a consistent structure. Also included is relevant Securities and Exchange Commission (SEC) guidance that will follow the same topical structure in separate sections in the Codification.

To prepare constituents for the change, the FASB has provided (1) online tutorials available on the Codification website at <http://asc.fasb.org>, (2) a Notice to Constituents that includes a significant amount of background (also at asc.fasb.org), and (3) numerous presentations.

In addition, the FASB has participated in various webcasts, including a webcast available in the FASB Webcast Series at www.fasb.org.

The Codification does not change GAAP; instead, it introduces a new structure—one that is organized in an easily accessible, user-friendly online research system. The FASB expects that the new system will reduce the amount of time and effort required to research an accounting issue, mitigate the risk of noncompliance with standards through improved usability of the literature, provide accurate information with real-time updates as new standards are released, and assist the FASB with the research efforts required during the standard-setting process.

The *Accounting Standards Codification* excludes governmental accounting standards. It includes all standards issued by a standard-setter within levels A through D of the current GAAP hierarchy, as follows:

- **Financial Accounting Standards Board (FASB)**
 - Statements (FAS)
 - Interpretations (FIN)
 - Technical Bulletins (FTB)
 - Staff Positions (FSP)
 - Staff Implementation Guides (Q&A)
- **Emerging Issues Task Force (EITF)**
 - Abstracts
 - Topic D
- **Derivative Implementation Group (DIG) Issues**
- **Accounting Principles Board (APB) Opinions**
- **Accounting Research Bulletins (ARB)**
- **Accounting Interpretations (AIN)**
- **American Institute of Certified Public Accountants (AICPA)**
 - Statements of Position (SOP)
 - Audit and Accounting Guides (AAG)—only incremental accounting guidance
 - Practice Bulletins (PB)
 - Technical Inquiry Service (TIS)—only for Software Revenue Recognition

Constituents can still participate in the FASB Codification verification process by providing feedback at asc.fasb.org. For more information, log on to www.fasb.org.

About the Financial Accounting Standards Board

Since 1973, the Financial Accounting Standards Board has been the designated organization in the private sector for establishing standards of financial accounting and reporting. Those standards govern the preparation of financial reports and are officially recognized as authoritative by the Securities and Exchange Commission and the American Institute of Certified Public Accountants. Such standards are essential to the efficient functioning of the economy because investors, creditors, auditors, and others rely on credible, transparent, and comparable financial information. For more information about the FASB, visit our website at www.fasb.org.

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