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Quarterly Accounting Roundup

by Magnus Orrell and Joseph Renouf, Deloitte & Touche LLP

To our clients, colleagues, and other friends:

Welcome to *Quarterly Accounting Roundup: Second Quarter — 2024*. Key accounting, financial reporting, auditing, and regulatory developments over the past several months include:

- The PCAOB's issuance of new auditing and quality control standards as well as amendments related to its requirements for (1) those who contribute to firm violations and (2) use of technology-assisted analysis.
- The SEC's release of an order staying its final rule on climate-related disclosures.
- Recent SEC statements on (1) reporting cybersecurity incidents on Form 8-K, (2) the importance of a "healthy tone at the top" at audit firms, and (3) applying the disclosure requirements in IFRS 19¹ to SEC filings.
- The FASB's issuance of an Accounting Standards Update (ASU) that removes various references to concepts statements from the *FASB Accounting Standards Codification*.
- The AICPA's release of an update to its practice aid on digital assets.
- The Center for Audit Quality's (CAQ's) issuance of a publication on auditing in the age of generative artificial intelligence (AI).
- Recent IASB standard setting, including the release of new IFRS Accounting Standards® that (1) change the IASB's financial statement presentation and disclosure requirements and (2) reduce the disclosure requirements for subsidiaries that meet certain eligibility criteria.

¹ IFRS 19, *Subsidiaries Without Public Accountability: Disclosures*.

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 [X feed](#) (formerly Twitter) for up-to-date information on the latest news, research, events, and more.

Featured Publications

Over the past several months, Deloitte has released updates of the following Roadmaps.

- [Earnings per Share](#) (June) — Provides an overview of the accounting and disclosure guidance in ASC 260² on earnings per share as well as insights into how to apply the guidance in practice.
- [Current Expected Credit Losses](#) (May) — Provides Deloitte's insights into the guidance in ASU 2016-13³ (codified as ASC 326), which adds to U.S. GAAP an impairment model known as the current expected credit loss model that is based on expected losses rather than incurred losses.
- [Environmental Obligations and Asset Retirement Obligations](#) (May) — Provides Deloitte's insights into and interpretations of the accounting guidance on environmental obligations in ASC 410-30 and asset retirement obligations in ASC 410-20. The 2024 edition of the Roadmap includes updates on regulatory developments and other changes.
- [Segment Reporting](#) (May) — Summarizes and provides Deloitte's insights into the accounting guidance in ASC 280. The 2024 edition reflects the guidance in ASU 2023-07⁴ (issued November 2023) and includes a new Chapter 6 and Appendix B, which provide discussions and examples of the ASU's new disclosure requirements related to significant segment expenses and other segment items.
- [Contingencies, Loss Recoveries, and Guarantees](#) (April) — Addresses the accounting guidance in (1) ASC 450 on loss contingencies, gain contingencies, and loss recoveries and (2) ASC 460 on guarantees.
- [Contracts on an Entity's Own Equity](#) (April) — Gives an overview of the guidance in ASC 815-40 and addresses how to apply it in practice. The 2024 edition contains new and expanded guidance on various topics.
- [Issuer's Accounting for Debt](#) (April) — Summarizes the FASB's authoritative guidance on the issuer's accounting for debt arrangements (including convertible debt) and gives Deloitte's insights into how to apply that guidance in practice. The 2024 edition of this Roadmap includes updated and expanded guidance on various topics.
- [Distinguishing Liabilities From Equity](#) (April) — Gives an overview of the guidance in ASC 480 and discusses how to apply it in practice. The 2024 edition of this Roadmap includes updated and expanded guidance on the classification of certain types of contracts, the application of the deemed liquidation exception in ASC 480-10-S99-3A, and other topics.

² For titles of FASB Accounting Standards Codification (ASC) references, see Deloitte's "[Titles of Topics and Subtopics in the FASB Accounting Standards Codification](#)."

³ FASB Accounting Standards Update No. 2016-13, *Measurement of Credit Losses on Financial Instruments*.

⁴ FASB Accounting Standards Update No. 2023-07, *Improvements to Reportable Segment Disclosures*.

- *Fair Value Measurements and Disclosures (Including the Fair Value Option)* (April) — Provides an overview of the accounting and disclosure guidance in ASC 820 and ASC 825 as well as insights into how to apply this guidance in practice.
- *Foreign Currency Matters* (April) — Provides Deloitte's insights into and interpretations of the accounting guidance in ASC 830 on foreign currency matters.
- *Transfers and Servicing of Financial Assets* (April) — Provides an overview of the FASB's authoritative guidance, as well as Deloitte's 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.

Other key publications issued by Deloitte in the second quarter of 2024 include (1) a *Financial Reporting Alert* on accounting and financial reporting considerations related to the current commercial real estate and banking macroeconomic environment and (2) a *Heads Up* that contains frequently asked questions on implementation of the FASB's new crypto assets standard (ASU 2023-08⁵).

⁵ FASB Accounting Standards Update No. 2023-08, *Accounting for and Disclosure of Crypto Assets*.

Accounting — Newly Issued Standards

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- **International**
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 - [IASB Releases Standard to Reduce Required Disclosures for Certain Subsidiaries](#)
 - [IASB Releases Standard on Financial Statement Presentation and Disclosures](#)

Codification

FASB Releases ASU to Remove Various Concepts Statement References From Codification

Affects: All entities.

Summary: The FASB has released [ASU 2024-02](#),⁶ which removes various references to concepts statements from the *FASB Accounting Standards Codification*. The ASU indicates that the goal of the amendments is to simplify the Codification and distinguish between nonauthoritative and authoritative guidance (since, unlike the Codification, the concepts statements are nonauthoritative).

Next Steps: For public business entities, the ASU is effective for fiscal years beginning after December 15, 2024. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2025. Early adoption is permitted for all entities.

Other Resources: Deloitte's April 24, 2024, [Heads Up](#).

International

IASB Amends Requirements Related to Classification and Measurement of Financial Instruments

Affects: Entities reporting under IFRS Accounting Standards.

Summary: On May 30, 2024, the IASB published amendments to IFRS 9's⁷ requirements related to the classification and measurement of financial instruments as well as to the financial instrument disclosure requirements in IFRS 7.⁸ Topics addressed by the IFRS 9 amendments include clarifications related to (1) how financial assets with features linked to environmental, social, and governance (ESG) should be classified and measured and (2) the derecognition of financial assets and financial liabilities that are settled through the use of electronic payment systems. The amendments to the IFRS 7 disclosure requirements are intended to "enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets."

Next Steps: The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

Other Resources: Deloitte's June 4, 2024, [iGAAP in Focus](#). Also see the [press release](#) on the IASB's Web site.

⁶ FASB Accounting Standards Update No. 2024-02, *Codification Improvements — Amendments to Remove References to the Concepts Statements*.

⁷ IFRS 9, *Financial Instruments*.

⁸ IFRS 7, *Financial Instruments: Disclosures*.

IASB Releases Standard to Reduce Required Disclosures for Certain Subsidiaries

Affects: Subsidiaries that report under IFRS Accounting Standards and meet certain eligibility criteria.

Summary: On May 9, 2024, the IASB released IFRS 19, which permits subsidiaries that meet the eligibility criteria to provide reduced disclosures when they apply IFRS Accounting Standards. Specifically, subsidiaries can use the reduced disclosure framework in IFRS 19 if (1) they are not publicly accountable and (2) IFRS Accounting Standards are applied in the parent company's consolidated financial statements. The application of IFRS 19 is expected to "reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements."

Note that, as discussed in a separate [article](#) below, the SEC staff has issued a statement to highlight that additional disclosures may be required when the financial statements of a subsidiary that has applied IFRS 19 are included in a filing with the SEC.

Next Steps: IFRS 19 is effective for reporting periods beginning after January 1, 2027. Early adoption is permitted.

Other Resources: Deloitte's May 14, 2024, [iGAAP in Focus](#). Also see the [press release](#) on the IASB's Web site.

IASB Releases Standard on Financial Statement Presentation and Disclosures

Affects: Entities reporting under IFRS Accounting Standards.

Summary: On April 9, 2024, the IASB issued IFRS 18,⁹ which is intended to increase the transparency and usefulness of the information that entities reporting under IFRS Accounting Standards present and disclose in their financial statements. Although the new standard supersedes the guidance in IAS 1,¹⁰ it also retains many of the requirements from the predecessor standard. Specific changes introduced by IFRS 18 include requiring entities to:

- Present specified categories and defined subtotals in the statement of profit or loss.
- Disclose management-defined performance measures in the notes to the financial statements.
- Improve the aggregation and disaggregation of information in the financial statements and notes.

Next Steps: IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027.

Other Resources: Deloitte's April 12, 2024, [iGAAP in Focus](#). Also see the [press release](#) on the IASB's Web site.

⁹ IFRS 18, *Presentation and Disclosure in Financial Statements*.

¹⁰ IAS 1, *Presentation of Financial Statements*.

Accounting — Exposure Drafts

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International

IASB Publishes Proposed Amendments Related to Renewable Electricity Contracts

Affects: Entities reporting under IFRS Accounting Standards.

Summary: On May 8, 2024, the IASB released an [exposure draft](#) (ED)¹¹ that would make targeted improvements to “ensure that financial statements more faithfully reflect the effects that renewable electricity contracts have on a company.” Specifically, the ED would amend:

- The own-use requirements in IFRS 9 to include factors an entity is required to consider when applying the guidance to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent and the purchaser is exposed to substantially all of the volume risk.
- The hedge accounting requirements in IFRS 9 to permit an entity using a contract for renewable electricity with specified characteristics as a hedging instrument (1) to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and (2) to measure the hedged item by using the same volume assumptions as those used for the hedging instrument.
- IFRS 7 and IFRS 19 to introduce disclosure requirements related to contracts for renewable electricity with specified characteristics.

Next Steps: Comments on the ED are due by August 7, 2024.

Other Resources: Deloitte’s May 9, 2024, [iGAAP in Focus](#). Also see the [press release](#) on the IASB’s Web site.

IASB Requests Feedback on Addendum to IFRS for SMEs

Affects: Small and medium-sized entities (SMEs) that apply the *IFRS for SMEs*.

Summary: On March 28, 2024, the IASB published an [ED](#)¹² that contains an addendum to its ED of the [third edition](#) of its *IFRS for SMEs*, which was published in September 2022. The addendum is being released in response to feedback indicating that the following two sets of IASB amendments to regular IFRS Accounting Standards are also relevant to SMEs and should therefore be included in the *IFRS for SMEs*:

- The August 2023 amendments to IAS 21,¹³ which address “diversity in practice in accounting for a lack of exchangeability between currencies.”
- The May 2023 amendments to IFRS 7 and IAS 7¹⁴ with respect to enhancing “the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk.”

Next Steps: Comments on the addendum are due by July 31, 2024.

Other Resources: Deloitte’s April 3, 2024, [iGAAP in Focus](#). Also see the [press release](#) on the IASB’s Web site.

¹¹ IASB Exposure Draft, *Contracts for Renewable Electricity; Proposed Amendments to IFRS 9 and IFRS 7*.

¹² IASB Exposure Draft, *Addendum to the Exposure Draft; Third Edition of the IFRS for SMEs Accounting Standard*.

¹³ IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

¹⁴ IAS 7, *Statement of Cash Flows*.

Accounting — Other Key Developments

In This Section

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EITF

FASB Appoints Members of Newly Reconstituted EITF

Affects: All entities.

Summary: On April 23, 2024, the FASB announced that it has appointed the members of the newly reconstituted Emerging Issues Task Force (EITF or “Task Force”), an organization whose mission is “to assist the FASB in improving financial reporting through the timely identification and development of proposed solutions to address narrowly scoped financial accounting issues within the framework of the *FASB Accounting Standards Codification*®.” In addition to revising the EITF’s membership composition, the Board streamlined the Task Force’s operating procedures. Under the new procedures, the EITF will be able to, among other things, “manage its own agenda and accept potential agenda requests directly from external stakeholders.”

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

Auditing Developments

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AICPA

AICPA Updates Practice Aid on Digital Assets

Affects: Auditors.

Summary: On June 6, 2024, the AICPA released an update to its [practice aid](#)¹⁵ on accounting and auditing considerations related to digital assets. Specifically, two chapters and an appendix of the practice aid are being revised to reflect information on auditing the existence, rights, obligations, and valuation of digital assets.

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

AICPA Releases New Attestation Standard

Affects: Practitioners on attestation engagements.

Summary: On June 10, 2024, the Auditing Standards Board of the AICPA issued [SSAE 23](#),¹⁶ which amends several other SSAEs to make them consistent with the AICPA's quality management standards. The most notable revision made by SSAE 23 is to distinguish between "practitioners who are part of the engagement team and those who are not" by replacing the term "other practitioner" with two new terms: (1) "participating practitioner" and (2) "referred-to practitioner."

Next Steps: SSAE 23 is "effective for engagements performed in accordance with the SSAEs beginning on or after December 15, 2025."

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

CAQ

CAQ Releases Publication on U.S. Financial Restatement Trends From 2013 to 2022

Affects: Auditors.

Summary: In June 2024, the CAQ released a [publication](#)¹⁷ that discusses the results of its analysis of financial restatements (i.e., error corrections in financial statements that public companies file with the SEC) over the period from 2013 to 2022. The publication notes that, in addition to being "a measure of financial reporting quality," restatement trends "may provide some insight into how the financial reporting ecosystem is managing factors that can affect the risk of material misstatement."

¹⁵ AICPA Practice Aid, *Accounting for and Auditing of Digital Assets*.

¹⁶ AICPA Statement on Standards for Attestation Engagements (SSAE) No. 23, *Amendments to the Attestation Standards for Consistency With the Issuance of AICPA Standards on Quality Management*.

¹⁷ CAQ Publication, *Financial Statement Trends in the United States: 2013–2022*.

CAQ Releases Publication on Auditing in the Age of Generative AI

Affects: Auditors.

Summary: In April 2024, the CAQ released a [publication](#)¹⁸ that explores the audit implications of risks associated with the use of generative AI in financial reporting processes and internal control over financial reporting. In addition to summarizing important aspects of generative AI technology and explaining how companies are implementing it, the publication discusses government regulations that may affect generative AI, outlines specific risk areas for auditors to consider, and includes a couple of hypothetical scenarios illustrating how an entity might perform risk assessments related to the use of such technology.

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

PCAOB

PCAOB Strengthens Accountability Standards for Those Who Contribute to Firm Violations

Affects: Registered public accounting firms.

Summary: On June 12, 2024, the PCAOB released an [amendment](#)¹⁹ to Rule 3502, which “governs the liability of an associated person of a registered public accounting firm who contributes to that firm’s violations of the laws, rules, and standards that the PCAOB enforces.” The amendment changes the threshold under which an “associated person of a registered public accounting firm” can be held accountable for contributing to the firm’s violation of the PCAOB’s standards and regulations — from “recklessness” to “negligence.” Accordingly, an associated person can now be held liable for contributing to a violation “directly, substantially and negligently” even if the person has not acted “recklessly.” The PCAOB notes that the new threshold is aligned with SEC regulations as well as with “the same standard of reasonable care auditors are already required to exercise anytime they are executing their professional duties.”

Next Steps: The amendment is subject to SEC approval and will become effective 60 days after such approval is obtained.

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

PCAOB Clarifies Requirements Related to Use of Technology-Assisted Analysis

Affects: Registered public accounting firms.

Summary: On June 12, 2024, the PCAOB released [amendments](#)²⁰ to clarify its requirements related to “audit procedures that involve technology-assisted analysis” in its auditing standards on audit evidence (AS 1105) and the auditor’s responses to the risks of material misstatement (AS 2301). The clarifications are designed to “reduce the risk that auditors who use technology-assisted analysis in the audit may issue an opinion without obtaining sufficient appropriate audit evidence.”

Next Steps: The amendments are effective for financial statement audits for fiscal years beginning after December 15, 2025.

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

¹⁸ CAQ Publication, *Auditing in the Age of Generative AI*.

¹⁹ PCAOB Release No. 2024-008, *Amendment to PCAOB Rule 3502 Governing Contributory Liability*.

²⁰ PCAOB Release No. 2024-007, *Amendments Related to Aspects of Designing and Performing Audit Procedures That Involve Technology-Assisted Analysis of Information in Electronic Form*.

PCAOB Proposes Replacement of Standard Related to Substantive Analytical Procedures

Affects: Registered public accounting firms.

Summary: On June 12, 2024, the PCAOB released a [proposed auditing standard](#)²¹ that would supersede its current auditing standard (AS 2305) on the auditor's use of substantive analytical procedures — that is, procedures in which an entity's "recorded amount . . . or an amount derived from the recorded amount" is compared with "an expectation of that amount developed by the auditor to determine whether there is a misstatement." The new guidance would "strengthen and clarify the auditor's responsibilities when designing and performing substantive analytical procedures, increasing the likelihood that the auditor will obtain relevant and reliable audit evidence — ultimately improving overall audit quality and leaving investors better protected."

In addition to replacing AS 2305, the proposal would make related amendments to the PCAOB's standards on (1) audit evidence and (2) the auditor's responses to the risks of material misstatement.

Next Steps: Comments on the proposed auditing standard are due by August 12, 2024.

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

PCAOB Releases Auditing and Quality Control Standards

Affects: Registered public accounting firms.

Summary: On May 13, 2024, the PCAOB released the following standards:

- [General Responsibilities of the Auditor in Conducting an Audit and Amendments to PCAOB Standards](#) — "[A]ddresses the general responsibilities of the auditor, such as due professional care and professional skepticism, when conducting an audit in accordance with the standards of the PCAOB."
- [A Firm's System of Quality Control and Other Amendments to PCAOB Standards, Rules, and Forms](#) — Requires "all PCAOB registered firms to identify their specific risks and design a [quality control] system that includes policies and procedures to guard against those risks."

Next Steps: The standards will become effective, pending SEC approval, for financial statement audits for fiscal years beginning on or after December 15, 2024.

Other Resources: For more information, see the press releases on the new [auditing](#) and [quality control](#) standards on the PCAOB's Web site.

PCAOB's Investor Advisory Group Requests Nominations Related to Critical Audit Matters

Affects: Public-company issuers, auditors, financial analysts, and investors.

Summary: On April 24, 2024, the PCAOB's Investor Advisory Group (IAG) announced that it is requesting nominations of the most decision-useful critical audit matters or key audit matters that were included in public-company audit reports on Form 10-K or Form 20-F for 2023. This request constitutes part of the IAG's "continuing efforts to improve the quality of information communicated to investors in the audit opinions of public companies."

²¹ PCAOB Release No. 2024-006, *Proposed Auditing Standard — Designing and Performing Substantive Analytical Procedures and Amendments to Other PCAOB Standards*.

Next Steps: Nominations should be submitted no later than June 30, 2024.

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

PCAOB Releases Proposals Related to Disclosing Firm and Engagement Metrics and Enhancing Reporting Framework

Affects: Registered public accounting firms.

Summary: On April 9, 2024, the PCAOB released the following pair of proposals:

- [Firm and Engagement Metrics](#) — Under this proposal, “PCAOB-registered public accounting firms that audit one or more issuers that qualify as an accelerated filer or large accelerated filer” would be required “to publicly report specified metrics relating to such audits and their audit practice.” Such metrics would include those related to “(1) partner and manager involvement, (2) workload, (3) audit resources, (4) experience of audit personnel, (5) industry experience of audit personnel, (6) retention and tenure, (7) audit hours and risk areas (engagement-level only), (8) allocation of audit hours, (9) quality performance ratings and compensation (firm-level only), (10) audit firms’ internal monitoring, and (11) restatement history (firm-level only).”
- [Firm Reporting](#) — This proposal would enhance key aspects of the requirements related to the information registered public accounting firms report on the PCAOB’s Form 2 (i.e., the “Annual Report Form”) and Form 3 (i.e., the “Special Reporting Form”). Areas in which improvements would be made include (1) financial information, (2) audit firm governance information, (3) network information, (4) special reporting, and (5) cybersecurity.

The proposals are intended to “benefit investors, audit committees, and others by increasing audit firm transparency, bringing consistency to the disclosure and calculation of audit firm and engagement metrics, and helping the PCAOB conduct its oversight.”

Comments on both proposals were due by June 7, 2024.

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

PCAOB Releases Spotlight Publications

Affects: Registered public accounting firms and audit committees.

Summary: In the second quarter of 2024, the PCAOB released the following spotlight publications:

- [2023 Conversations With Audit Committee Chairs](#) — Provides “high-level observations and takeaways” from the Board’s conversations with more than 200 audit committee chairs during 2023. The purpose of these conversations, which are held annually, is to “provide an opportunity for the PCAOB to hear the perspectives and observations of audit committee chairs and for the PCAOB to share information and resources with audit committees to help them improve audit quality.”
- [Root Cause Analysis — An Effective Practice to Drive Audit Quality](#) — Addresses the importance of root cause analysis (RCA) to enhancing audit quality. In addition to outlining general RCA-related considerations, the publication (1) summarizes observations regarding audit firms’ RCA processes that the PCAOB has noted during its inspections of such firms and (2) lists key questions for audit firms to consider when assessing the effectiveness of their RCA.

- *Auditing Considerations Related to Commercial Real Estate* — Summarizes “important considerations and examples for auditors relating to [commercial real estate], as they plan and conduct audits and reviews of interim financial information.”
- *Inspection Observations Related to Auditor Use of Data and Reports* — Details the PCAOB’s inspection observations related to audit firms’ use of data and reports, noting that the “PCAOB staff has observed significant and consistent rates of deficiencies related to auditors’ evaluation of audit evidence, including information from external sources, and testing of information produced by the company . . . and used in the performance of control activities and substantive testing.”

Regulatory and Compliance Developments

In This Section

- SEC

- Division Director Makes Statement on Cybersecurity Disclosures
- SEC Chief Accountant Releases Statement on Importance of “Healthy Tone at the Top” at Audit Firms
- SEC Releases Statement on Applying the Disclosure Requirements in IFRS 19 to SEC filings
- SEC Issues Stay on Climate Rule
- U.S. Appeals Court Vacates SEC Final Rule Related to Private Fund Investments
- CAQ Publishes Highlights of IPTF’s November 2023 Meeting With SEC Staff
- SEC Amends Regulation Related to Protecting Consumer Information
- SEC Proposes Requirements Related to Customer Identification Programs
- SEC Amends Exemption for Certain Investment Advisers Operating Through the Internet

SEC

Division Director Makes Statement on Cybersecurity Disclosures

Affects: SEC registrants.

Summary: In a May 21, 2024, [statement](#), SEC Division of Corporation Finance Director Erik Gerding discussed the disclosure of cybersecurity incidents on Form 8-K, specifically situations in which “a company chooses to disclose a cybersecurity incident for which it has not yet made a materiality determination, or a cybersecurity incident that the company determined was not material.” Mr. Gerding noted that, since Item 1.05 requires disclosure only of “material” cybersecurity incidents, the SEC staff encourages registrants to provide any voluntary cybersecurity disclosures under a different Form 8-K item (e.g., Item 8.01). He further pointed out that the overall purpose of providing voluntary cybersecurity disclosures under a different Form 8-K item is to avoid confusing investors or reducing “the value of Item 1.05 disclosures regarding material cybersecurity incidents.”

SEC Chief Accountant Releases Statement on Importance of “Healthy Tone at the Top” at Audit Firms

Affects: Auditors.

Summary: In a May 15, 2024, [statement](#), SEC Chief Accountant Paul Munter addressed the importance of establishing “a proper tone at the top” at audit firms. Mr. Munter pointed out that a key function of the accounting profession is to act as a “public watchdog” and that, in performing this function, “audit-firm leadership must set the right tone at the top by always placing the public-interest obligations of our profession ahead of business interests and profits.” He further noted that setting an appropriate tone at the top is essential both for allowing auditors to exercise professional skepticism and for achieving effective quality controls.

While Mr. Munter acknowledged that an audit firm’s written policies (e.g., a code of ethics or conduct) are important, he stressed that “establishing a strong tone at the top requires more than just words, codes of conduct, and compliance checklists.” That is, audit-firm managers are called upon to “lead by example, through their *actions*.” According to Mr. Munter, actions that management can take to ensure that a healthy tone at the top is being set include:

- Ensuring that “professional integrity and ethics [is] an integral part of the promotion and compensation process” by, for example, rewarding “individuals or engagement teams that took difficult stands and sacrificed short-term profitability in order to preserve independence and other professional responsibilities of the firm.”
- Instilling a firmwide culture of “candor and transparency” (e.g., making sure that employees are able to “share their views confidentially on the company’s culture and climate” or “report misconduct when they’re aware of it”).
- Periodically reinforcing the message that an audit firm’s highest priorities should always be “complying with professional standards, providing high-quality audits, and fulfilling its public watchdog role.”

SEC Releases Statement on Applying the Disclosure Requirements in IFRS 19 to SEC Filings

Affects: SEC registrants.

Summary: In a May 17, 2024, [statement](#), SEC Chief Accountant Paul Munter and SEC Division of Corporation Finance Director Erik Gerding addressed application of the guidance in IFRS 19 to SEC filings. IFRS 19 “permits certain subsidiaries of reporting companies to provide reduced disclosures when applying recognition, measurement, and presentation requirements of IFRS Accounting Standards.”

The statement points out that even though IFRS 19’s scope “is limited to entities that do not have public accountability at the end of their financial statement reporting period” (footnote omitted). SEC filings may include “financial statements that apply IFRS 19” in certain circumstances. For instance, the statement discusses a scenario in which “a foreign private issuer files documents with the SEC related to a merger with a foreign business that qualifies for and elects to apply IFRS 19, and the registrant is required to provide financial statements of the foreign business.” In such circumstances, “even though the foreign business may be eligible to and has elected to apply IFRS 19 in order to benefit from reduced disclosures, it should carefully consider whether it is nevertheless required to include additional material disclosures from other IFRS Accounting Standards to achieve the objectives of financial reporting given the use of those financial statements in a filing with the SEC.”

SEC Issues Stay on Climate Rule

Affects: SEC registrants.

Summary: On April 4, 2024, the SEC released an [order](#)²² staying its recently issued [final rule](#)²³ on climate-related disclosures pending judicial review of petitions challenging the rule. The U.S. District Court of Appeals for the Eighth Circuit has been designated — via a [consolidation order](#) by the U.S. Judicial Panel on Multidistrict Litigation — as the court that will review the petitions on a consolidated basis.

In the absence of the stay, the final rule would have required registrants to provide comprehensive climate-related disclosures in their annual reports and registration statements, including those for IPOs, beginning with annual reports for the year ending December 31, 2025, for calendar-year-end large accelerated filers.

Other Resources: For more information about the final rule, see the [press release](#) and [fact sheet](#) on the SEC’s Web site.

U.S. Appeals Court Vacates SEC Final Rule Related to Private Fund Investments

Affects: SEC registrants.

Summary: On June 5, 2024, the U.S. Court of Appeals for the Fifth Circuit [vacated](#) the SEC’s August 2023 [final rule](#)²⁴ for private fund advisers, which was intended to “protect private fund investors by increasing transparency, competition, and efficiency in the private funds market.” Among other things, the court concluded that the SEC inappropriately relied on Section 913 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, noting that these provisions apply to retail customers rather than to private fund investors. Accordingly, the court ultimately determined that the Commission “exceeded its authority” in releasing the final rule.

²² SEC Release No. 11280, *In the Matter of the Enhancement and Standardization of Climate-Related Disclosures for Investors — Order Issuing Stay*.

²³ SEC Final Rule Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*.

²⁴ SEC Final Rule Release No. IA-6383, *Private Fund Advisers; Documentation of Registered Investment Adviser Compliance Reviews*.

CAQ Publishes Highlights of IPTF's November 2023 Meeting With SEC Staff

Affects: SEC registrants.

Summary: In April 2024, the CAQ published [highlights](#) of the November 9, 2023, meeting of the International Practices Task Force (IPTF) with the SEC staff. Topics discussed at the meeting included:

- “Application of Rule 3-05(d) for a domestic registrant when it acquires a business that is not a foreign business but would qualify as a Foreign Private Issuer if it were the registrant.”
- Disclosure related to “change in [a] registrant’s certifying accountants.”
- The “SEC’s reporting expectations for FPIs when these registrants also comply with their local Corporate Social Responsibility (CSR) Reporting.”

SEC Amends Regulation Related to Protecting Consumer Information

Affects: SEC registrants.

Summary: On May 16, 2024, the SEC released a [final rule](#)²⁵ that amends Regulation S-P “to modernize and enhance the rules that govern the treatment of consumers’ nonpublic personal information by certain financial institutions.” Specifically, the amendments “address the expanded use of technology and corresponding risks that have emerged since the Commission originally adopted Regulation S-P in 2000.”

Next Steps: The final rule will become effective on August 2, 2024.

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

SEC Proposes Requirements Related to Customer Identification Programs

Affects: Investment advisers.

Summary: On May 13, 2024, the SEC — in conjunction with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury — released a [proposed rule](#)²⁶ that would require certain investment advisers that meet the definition of a “financial institution” in the Bank Secrecy Act of 1970 (i.e., SEC-registered investment advisers and exempt reporting advisers) “to establish, document, and maintain written customer identification programs.” The goal of the proposal, which is being released in response to a mandate of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, would be “to prevent illicit finance activity involving the customers of investment advisers by strengthening the anti-money laundering and countering the financing of terrorism . . . framework for the investment adviser sector.”

Next Steps: Comments on the proposed rule are due by July 22, 2024.

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

²⁵ SEC Final Rule Release No. 34-100155, *Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Customer Information*.

²⁶ SEC Proposed Rule Release No. BSA-1, *Customer Identification Programs for Registered Investment Advisers and Exempt Reporting Advisers*.

SEC Amends Exemption for Certain Investment Advisers Operating Through the Internet

Affects: Investment advisers.

Summary: On March 27, 2024, the SEC released a [final rule](#)²⁷ that amends Rule 203A-2(e) of the Investment Advisers Act of 1940, which “exempts certain investment advisers that provide advisory services through the internet . . . from the prohibition on Commission registration” for smaller investment advisers. In addition, the rule is making conforming amendments to Form ADV, the SEC’s registration form for investment advisers.

The amendments require investment advisers that are relying on the exemption described above to maintain an operational and interactive Web site and to provide clients with investment advice exclusively through this Web site. The primary purpose of the final rule’s amendments is to reflect technological advancements, as well as changes in the investment advisory industry, that have occurred since the initial adoption of the exemption in 2002.

Next Steps: The final rule will become effective on July 8, 2024.

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

²⁷ SEC Final Rule Release No. IA-6578, *Exemption for Certain Investment Advisers Operating Through the Internet*.

Appendix A: Significant Adoption Dates

The tables below describe significant adoption dates for FASB/EITF, PCAOB, AICPA, SEC, IASB/IFRIC, and ISSB 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 2024-02, <i>Codification Improvements — Amendments to Remove References to the Concepts Statements</i> (issued March 29, 2024)	Fiscal years beginning after December 15, 2024.	Fiscal years beginning after December 15, 2025.	Yes	April 24, 2024, Heads Up
ASU 2024-01, <i>Scope Application of Profits Interest and Similar Awards</i> (issued March 21, 2024)	Annual periods beginning after December 15, 2024, including interim periods within those annual periods.	Annual periods beginning after December 15, 2025, including interim periods within those annual periods.	Yes	March 22, 2024, Heads Up
ASU 2023-09, <i>Improvements to Income Tax Disclosures</i> (issued December 14, 2023)	Annual periods beginning after December 15, 2024.	Annual periods beginning after December 15, 2025.	Yes	January 18, 2024 Heads Up
ASU 2023-08, <i>Accounting for and Disclosure of Crypto Assets</i> (issued December 13, 2023)	Fiscal years beginning after December 15, 2024, including interim periods within those fiscal years.	Fiscal years beginning after December 15, 2024, including interim periods within those fiscal years.	Yes	December 15, 2023, Heads Up
ASU 2023-07, <i>Improvements to Reportable Segment Disclosures</i> (issued November 27, 2023)	Fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024.	N/A	Yes	November 30, 2023 (updated December 20, 2023), Heads Up
ASU 2023-06, <i>Disclosure Improvements — Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative</i> (issued October 9, 2023)	For entities subject to the SEC's existing disclosure requirements and for entities required to file or furnish financial statements with or to the SEC in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer, the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective. If the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K by June 30, 2027, the ASU will not become effective.	Two years after the SEC's removal of the related disclosure from Regulation S-X or Regulation S-K becomes effective. If the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K by June 30, 2027, the ASU will not become effective.	No	October 12, 2023, Heads Up

ASU 2023-05, <i>Business Combinations — Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement</i> (issued August 23, 2023)	Prospectively for all joint venture formations with a formation date on or after January 1, 2025.	Prospectively for all joint venture formations with a formation date on or after January 1, 2025.	Yes	September 8, 2023, Heads Up
ASU 2023-04, <i>Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 121</i> (issued August 3, 2023)	Upon issuance.	N/A	N/A	August 4, 2023, DART news item
ASU 2023-03, <i>Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022 EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280 — General Revision of Regulation S-X: Income or Loss Applicable to Common Stock</i> (issued July 14, 2023)	Upon issuance.	N/A	N/A	July 19, 2023, DART news item
ASU 2023-02, <i>Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method</i> (issued March 29, 2023)	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2024, and interim periods within those fiscal years.	Yes	March 29, 2023, DART news item
ASU 2023-01, <i>Leases (Topic 842): Common Control Arrangements</i> (issued March 27, 2023)	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Yes	March 28, 2023, Heads Up
ASU 2022-06, <i>Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848</i> (issued December 21, 2022)	Effective upon issuance through December 31, 2024.	Effective upon issuance through December 31, 2024.	Yes	December 21, 2022, Heads Up
ASU 2022-05, <i>Transition for Sold Contracts</i> (issued December 15, 2022)	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	

ASU 2022-04, <i>Disclosure of Supplier Finance Program Obligations</i> (issued September 29, 2022)	Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023.	Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023.	Yes	September 30, 2022, Heads Up
ASU 2022-03, <i>Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i> (issued June 30, 2022)	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2024, and interim periods within those fiscal years.	Yes	July 1, 2022, Heads Up
ASU 2022-01, <i>Fair Value Hedging — Portfolio Layer Method</i> (issued March 28, 2022)	Fiscal years beginning after December 15, 2022, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Yes	March 29, 2022, Heads Up
ASU 2021-08, <i>Accounting for Contract Assets and Contract Liabilities From Contracts With Customers</i> (issued October 28, 2021)	Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.	Fiscal years beginning after December 15, 2023, including interim periods within those fiscal years.	Yes	November 2, 2021, Heads Up
ASU 2021-01, <i>Reference Rate Reform (Topic 848): Scope</i> (issued January 7, 2021; effective date amended by ASU 2022-06)	Effective upon issuance through December 31, 2024.	Effective upon issuance through December 31, 2024.	N/A	January 11, 2021, Heads Up
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 2020-06, <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 2020-04, <i>Facilitation of the Effects of Reference Rate Reform on Financial Reporting</i> (issued March 12, 2020; effective date amended by ASU 2022-06)	March 12, 2020, through December 31, 2024.	March 12, 2020, through December 31, 2024.	N/A	March 23, 2020, 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 Insurance Spotlight
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 smaller reporting companies (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 <i>Insurance Spotlight</i> newsletters

PCAOB	Effective Date for PBEs	Deloitte Resources
Final Guidance		
Release No. 2024-008, <i>Amendment to PCAOB Rule 3502 Governing Contributory Liability</i> (issued June 12, 2024)	The amendments will become effective 60 days after SEC approval.	June 18, 2024, Heads Up
Release No. 2024-007, <i>Amendments Related to Aspects of Designing and Performing Audit Procedures That Involve Technology-Assisted Analysis of Information in Electronic Form</i> (issued June 12, 2024)	Subject to SEC approval, the amendments are effective for financial statement audits for fiscal years beginning on or after December 15, 2025.	June 18, 2024, Heads Up
Release No. 2024-005, <i>A Firm's System of Quality Control and Other Amendments to PCAOB Standards, Rules, and Forms</i> (issued May 13, 2024)	Subject to SEC approval, the amendments are effective on December 15, 2025.	June 18, 2024, Heads Up

Release No. 2024-004, <i>General Responsibilities of the Auditor in Conducting an Audit and Amendments to PCAOB Standards</i> (issued May 13, 2024)	Subject to SEC approval, the amendments are effective for financial statement audits for fiscal years beginning on or after December 15, 2024, except that the 14-day documentation completion requirement is effective for financial statement audits for fiscal years beginning on or after December 15, 2025, for accounting firms that issued audit reports for not more than 100 issuers during the calendar year ending on December 31, 2024.	June 18, 2024, Heads Up
Release No. 2023-008, <i>The Auditor's Use of Confirmation, and Other Amendments to PCAOB Standards</i> (issued September 28, 2023, and approved by the SEC on December 1, 2023)	Financial statement audits for fiscal years ending on or after June 15, 2025.	November 10, 2023, Heads Up
Release No. 2022-002, <i>Planning and Supervision of Audits Involving Other Auditors and Dividing Responsibility for the Audit With Another Accounting Firm</i> (issued June 21, 2022, and approved by the SEC on August 12, 2022)	Financial statement audits for fiscal years ending on or after December 15, 2024.	June 23, 2022, DART news item
AICPA	Effective Date for Non-PBEs	Deloitte Resources
Final Guidance		
SAS 149, <i>Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors and Audits of Referred-to Auditors)</i> (issued March 6, 2023)	Group financial statement audits for periods ending on or after December 15, 2026.	March 9, 2023, DART news item

SAS 148, <i>Amendment to AU-C Section 935</i> (issued August 12, 2022)	The amendment related to AU-C Section 501 in the appendix, "AU-C Sections That Are Not Applicable to Compliance Audits," is effective for compliance audits for fiscal periods ending on or after December 15, 2022, in a manner consistent with the effective date of SAS 142. All other amendments are effective for compliance audits for fiscal periods ending on or after December 15, 2023, in a manner consistent with the effective date of SAS 145.	August 12, 2022, DART news item
SAS 147, <i>Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations</i> (issued June 8, 2022)	Audits of financial statements for periods beginning on or after June 30, 2023.	June 8, 2022, DART news item
SAS 146, <i>Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards</i> (issued June 6, 2022)	Audits of financial statements for periods beginning on or after December 15, 2025.	June 3, 2022, DART news item
SAS 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i> (issued October 12, 2021)	Audits of financial statements for periods ending on or after December 15, 2023.	
SAS 144, <i>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</i> (issued June 9, 2021)	Audits of financial statements for periods ending on or after December 15, 2023.	
SAS 143, <i>Auditing Accounting Estimates and Related Disclosures</i> (issued July 1, 2020)	Audits of financial statements for periods ending on or after December 15, 2023.	

SEC	Effective Date	Deloitte Resources
Final Guidance		
Final Rule, <i>Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Customer Information</i> (34-100155) (issued May 16, 2024)	August 2, 2024.	May 16, 2024, DART news item

Final Rule, <i>Exemption for Certain Investment Advisers Operating Through the Internet</i> (IA-6578) (issued March 27, 2024)	July 8, 2024.	March 27, 2024, DART news item
Technical Amendments, <i>Share Repurchase Disclosure Modernization</i> (34-99778) (issued March 19, 2024)	April 8, 2024.	March 21, 2024, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-11277) (issued March 18, 2024)	April 19, 2024.	
Final Rule, <i>Disclosure of Order Execution Information</i> (34-99679) (issued March 6, 2024)	June 14, 2024.	March 7, 2024, DART news item
Final Rule, <i>The Enhancement and Standardization of Climate-Related Disclosures for Investors</i> (33-11275) (issued March 6, 2024)	Stayed by the SEC pending the completion of judicial review.	March 6, 2024 (updated April 8, 2024) , and March 15, 2024 (updated April 8, 2024) , <i>Heads Up</i> newsletters
Final Rule, <i>Supplemental Standards of Ethical Conduct for Members and Employees of the Securities and Exchange Commission</i> (34-99582) (issued February 22, 2024)	March 29, 2024.	February 23, 2024, DART news item
Final Rule, <i>Form PF; Reporting Requirements for All Filers and Large Hedge Fund Advisers</i> (IA-6546) (February 8, 2024)	March 12, 2025.	February 8, 2024, DART news item
Final Rule, <i>Further Definition of "As a Part of a Regular Business" in the Definition of Dealer and Government Securities Dealer in Connection With Certain Liquidity Providers</i> (34-99477) (issued February 6, 2024)	April 29, 2024.	February 7, 2024, DART news item
Final Rule, <i>Special Purpose Acquisition Companies, Shell Companies, and Projections</i> (33-11265 and 33-11265A) (originally issued January 24, 2024; correction issued June 14, 2024)	July 1, 2024.	February 6, 2024, Heads Up
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-11235) (issued December 18, 2023)	January 24, 2024.	

Final Rule, <i>Standards for Covered Clearing Agencies for U.S. Treasury Securities and Application of the Broker-Dealer Customer Protection Rule With Respect to U.S. Treasury Securities</i> (33-99149) (issued December 13, 2023)	March 18, 2024.	December 14, 2023, DART news item
Final Rule, <i>Prohibition Against Conflicts of Interest in Certain Securitizations</i> (33-11254) (issued November 27, 2023)	February 5, 2024.	November 28, 2023, DART news item
Final Rule, <i>Clearing Agency Governance and Conflicts of Interest</i> (34-98959) (issued November 16, 2023)	February 5, 2024.	November 16, 2023, DART news item
Final Rule, <i>Security-Based Swap Execution and Registration and Regulation of Security-Based Swap Execution Facilities</i> (34-98845) (issued November 2, 2023)	February 13, 2024.	November 2, 2023, DART news item
Final Rule, <i>Short Position and Short Activity Reporting by Institutional Investment Managers</i> (34-98738) (issued October 13, 2023)	January 2, 2024.	October 13, 2023, DART news item
Final Rule, <i>Reporting of Securities Loans</i> (34-98737) (issued October 13, 2023)	January 2, 2024.	October 13, 2023, DART news item
Final Rule, <i>Modernization of Beneficial Ownership Reporting</i> (33-11253) (issued October 10, 2023)	February 5, 2024.	October 11, 2023, DART news item
Final Rule, <i>The Commission's Privacy Act Regulations</i> (34-98437) (issued September 20, 2023)	October 26, 2023.	September 22, 2023, DART news item
Final Rule, <i>Investment Company Names</i> (33-11238) (issued September 20, 2023)	December 11, 2023.	September 22, 2023, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-11235) (issued September 18, 2023)	October 3, 2023.	

Final Rule, <i>Private Fund Advisers; Documentation of Registered Investment Adviser Compliance Reviews</i> (IA-6383) (issued August 23, 2023)	Vacated by the U.S. Court of Appeals for the Fifth Circuit on June 5, 2024.	August 24, 2023, DART news item
Final Rule, <i>Exemption for Certain Exchange Members</i> (34-98202) (issued August 23, 2023)	November 6, 2023.	August 23, 2023, DART news item
Final Rule, <i>Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure</i> (33-11216) (issued July 26, 2023)	September 5, 2023.	July 30, 2023 (updated December 19, 2023), Heads Up
Final Rule, <i>Money Market Fund Reforms; Form PF Reporting Requirements for Large Liquidity Fund Advisers; Technical Amendments to Form N-CSR and Form N-1A</i> (33-11211) (issued July 12, 2023)	October 2, 2023.	July 12, 2023, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-11205) (issued June 15, 2023)	July 18, 2023.	
Final Rule, <i>Removal of References to Credit Ratings From Regulation M</i> (34-97657) (issued June 7, 2023)	August 21, 2023.	June 7, 2023, DART news item
Final Rule, <i>Prohibition Against Fraud, Manipulation, or Deception in Connection With Security-Based Swaps; Prohibition Against Undue Influence Over Chief Compliance Officers</i> (34-97656) (issued June 7, 2023)	August 29, 2023.	June 7, 2023, DART news item
Final Rule, <i>Form PF; Event Reporting for Large Hedge Fund Advisers and Private Equity Fund Advisers; Requirements for Large Private Equity Fund Adviser Reporting</i> (IA-6297) (issued May 3, 2023)	June 11, 2024.	May 3, 2023, DART news item
Final Rule, <i>Enhanced Reporting of Proxy Votes by Registered Management Investment Companies; Reporting of Executive Compensation Votes by Institutional Investment Managers</i> (33-11131) (issued November 2, 2022)	July 1, 2024.	November 2, 2022, DART news item

Final Rule, *Investment Company Reporting Modernization* (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>Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)</i> (issued May 30, 2024)	Annual reporting periods beginning on or after January 1, 2026.	Yes	June 4, 2024, iGAAP in Focus
IFRS 19, <i>Subsidiaries Without Public Accountability: Disclosures</i> (issued May 9, 2024)	Annual reporting periods beginning on or after January 1, 2027.	Yes	May 14, 2024, iGAAP in Focus
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i> (issued April 9, 2024)	Annual reporting periods beginning on or after January 1, 2027.	Yes	April 12, 2024, iGAAP in Focus
<i>Lack of Exchangeability</i> — amendments to IAS 21 (issued August 15, 2023)	Annual reporting periods beginning on or after January 1, 2025.	Yes	August 23, 2023, iGAAP in Focus
<i>Supplier Finance Arrangements</i> — amendments to IAS 7 and IFRS 7 (issued May 25, 2023)	Annual reporting periods beginning on or after January 1, 2024.	Yes	May 30, 2023, iGAAP in Focus
<i>International Tax Reform — Pillar Two Model Rules</i> — amendments to IAS 12 (issued May 23, 2023)	<p>The amendments require that an entity apply the exception — and the requirement to disclose that it has applied the exception — immediately upon issuance of the amendments and retrospectively in accordance with IAS 8.</p> <p>The remaining disclosure requirements are effective for annual reporting periods beginning on or after January 1, 2023. An entity is not required to disclose the information warranted by these requirements for any interim period ending on or before December 31, 2023.</p>	N/A	May 28, 2023, iGAAP in Focus
<i>Non-Current Liabilities With Covenants</i> — amendments to IAS 1 (issued October 27, 2022)	Annual reporting periods beginning on or after January 1, 2024.	Yes	November 2, 2022, iGAAP in Focus

<i>Lease Liability in a Sale and Leaseback</i> — amendments to IFRS 16 (issued September 22, 2022)	Annual reporting periods beginning on or after January 1, 2024.	Yes	September 27, 2022, iGAAP in Focus
<i>Initial Application of IFRS 9 and IFRS 17 — Comparative Information</i> (issued December 9, 2021)	Annual reporting periods beginning on or after January 1, 2023.	Yes, for entities that apply IFRS 9 and IFRS 17.	December 15, 2021, IFRS in Focus
<i>Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction</i> — amendments to IAS 12 (issued May 7, 2021)	Annual reporting periods beginning on or after January 1, 2023.	Yes	May 7, 2021, IFRS in Focus
<i>Disclosure of Accounting Policies</i> — amendments to IAS 1 and IFRS Practice Statement 2 (issued February 12, 2021)	Annual reporting periods beginning on or after January 1, 2023.	Yes	February 15, 2021, IFRS in Focus
<i>Definition of Accounting Estimates</i> — amendments to IAS 8 (issued February 12, 2021)	Annual reporting periods beginning on or after January 1, 2023.	Yes	February 12, 2021, 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 17.	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>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
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 17.	May 18, 2017, IFRS in Focus

ISSB	Effective Date	Early Adoption (Yes/No)	Deloitte Resources
Final Guidance			
IFRS S1, <i>General Requirements for Disclosure of Sustainability-Related Financial Information</i> (issued June 26, 2023)	Annual reporting periods beginning on or after January 1, 2024.	Yes. Entities that choose to early adopt IFRS S1 and IFRS S2 are required to disclose that fact and apply both standards at the same time.	June 26, 2023, DART news item ; June 28, 2023, iGAAP in Focus ; and June 30, 2023, Heads Up
IFRS S2, <i>Climate-Related Disclosures</i> (issued June 26, 2023)	Annual reporting periods beginning on or after January 1, 2024.	Yes. Entities that choose to early adopt IFRS S1 and IFRS S2 are required to disclose that fact and apply both standards at the same time.	June 26, 2023, DART news item ; June 28, 2023, iGAAP in Focus ; and June 30, 2023, Heads Up

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 for and disclosure of software costs	On June 22, 2022, the FASB added to its agenda a project on modernizing the accounting for software costs and enhancing the transparency of an entity's software costs. On March 20, 2024, the FASB decided to pursue targeted improvements to ASC 350-40. On June 18, 2024, the Board directed the staff to draft a proposed ASU for a vote by written ballot. The proposal is expected to be issued in the third quarter of 2024.	
Accounting for environmental credit programs	<p>On May 25, 2022, the FASB added to its agenda a project on the recognition, measurement, presentation, and disclosure requirements for participants in compliance and voluntary programs that result in the creation of environmental credits (e.g., allowance programs, renewable energy credits, and carbon offset credits). On October 11, 2023, the FASB decided that:</p> <ul style="list-style-type: none"> • An entity would recognize an asset for an environmental credit when it is probable that the credit will be used to settle an environmental credit obligation (ECO) or separately transferred in an exchange transaction. • Costs incurred to obtain other environmental credits would be recognized as an expense when incurred unless the costs are included in the carrying amount of another asset in accordance with other GAAP. • An entity would not remeasure environmental credits when it is probable that they will be used to settle ECOs. • An entity would subsequently measure other environmental credits recognized as assets at historical cost, less impairment losses, if any. <p>On January 31, 2024, the Board decided that:</p> <ul style="list-style-type: none"> • An entity should recognize a liability when activities or events occurring on or before a balance sheet date indicate that an ECO exists. • The funded portion of an ECO liability should be measured at the carrying amount of the related environmental credits as of the balance sheet date. • The unfunded portion of an ECO liability should be measured on the basis of the fair value of the environmental credits necessary to settle the liability. <p>On March 27, 2024, the Board decided that an entity should be permitted to elect an accounting policy to remeasure a class of eligible noncompliance environmental credit assets at fair value as of each reporting period, with changes recognized in earnings.</p> <p>On June 12, 2024, the Board directed the staff to draft a proposed ASU for a vote by written ballot. The proposal is expected to be issued in the third quarter of 2024.</p>	<p>Heads Up — #DeloitteESGNow — <i>FASB Makes Tentative Decisions Related to the Accounting for Environmental Credit Programs</i> (October 25, 2023)</p> <p>Heads Up — #DeloitteESGNow — <i>FASB Makes Additional Tentative Decisions Related to the Accounting for Environmental Credit Programs</i> (February 22, 2024)</p> <p>Accounting Spotlight — <i>Accounting and Reporting Considerations for Environmental Credits</i> (October 7, 2022; updated May 11, 2023)</p>

Accounting for government grants	On November 1, 2023, the FASB decided to add to its technical agenda a project on the accounting for the recognition, measurement, and presentation of government grants received by business entities (e.g., transfers of monetary and tangible nonmonetary assets, including forgivable loans). On April 3, 2024, the Board decided to leverage the accounting framework in IAS 20 for government grants and to include targeted improvements to that guidance. On June 4, 2024, the Board directed the staff to draft a proposed ASU for a vote by written ballot. The FASB expects to issue the proposed ASU in the third quarter of 2024.	
Codification improvements	<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).</p> <p>On March 29, 2024, the FASB issued ASU 2024-02, which removes various references to concepts statements from the Codification.</p>	Heads Up — FASB Issues ASU to Remove Concepts Statement References From Codification (April 24, 2024)
Financial instruments: credit losses — purchased financial assets	On June 27, 2023, the FASB issued a proposed ASU that would expand the scope of the purchased credit-deteriorated accounting model to financial assets acquired in a business combination and to seasoned financial assets acquired as a result of an asset acquisition or the consolidation of a variable interest entity that is not a business. Comments were due by August 28, 2023. On February 28, 2024, the Board discussed the feedback received.	Heads Up — FASB Proposes Amendments to the Accounting for Purchased Financial Assets (July 7, 2023)
Induced conversions of convertible debt instruments (EITF Issue 23-A)	On December 19, 2023, the FASB issued a proposed ASU that would improve the guidance on induced conversions in ASC 470-20. Comments were due by March 18, 2024. The FASB expects to issue the final ASU in the third quarter of 2024.	EITF Snapshot (June 2023)
Share-based consideration payable to a customer	On June 12, 2024, the FASB decided to add a project to its technical agenda to clarify the guidance in ASC 606 and ASC 718 on share-based payments that an entity grants as consideration payable to its customer. The Board directed the staff to draft a proposed ASU for a vote by written ballot. The proposal is expected to be issued in the third quarter of 2024.	
ASC 815 — derivatives scope refinements	On December 6, 2023, the FASB decided to add a project to its technical agenda to refine the scope of ASC 815 by incorporating a scope exception for contracts with underlyings based on the operations or activities that are specific to one of the parties to the contract. On April 10, 2024, the Board discussed the assessment in ASC 815 related to predominant characteristics as well as the interaction between ASC 606 and other Codification topics with respect to the accounting for the grantee of a share-based payment in a contract with a customer. The proposal is expected to be issued in the third quarter of 2024.	

ASC 815 — hedge accounting improvements	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 on the proposed ASU were due by January 13, 2020. On February 19, 2024, and April 10, 2024, the Board discussed comment-letter feedback received. On June 4, 2024, the Board directed the staff to draft a proposed ASU for a vote by written ballot. The proposal is expected to be issued in the third quarter of 2024.	Heads Up — FASB Proposes Improvements to Hedge Accounting Guidance (November 26, 2019)
Presentation and Disclosure Projects		
Disaggregation — income statement expenses	On July 31, 2023, the FASB issued a proposed ASU that is aimed at enhancing the disclosures that PBEs provide in the notes regarding the disaggregation of income statement expenses. Comments were due by October 30, 2023. On January 31, 2024, the Board discussed the feedback received. On March 27, 2024, and May 8, 2024, the Board continued its redeliberations.	Heads Up — FASB Proposes Enhancements to Disclosures Related to Disaggregation of Income Statement Expenses (DISE) (August 8, 2023)
Interim reporting — narrow-scope improvements	On November 1, 2021, the FASB issued a proposed ASU that would modify the disclosure requirements for interim reporting in ASC 270. Comments were due by January 31, 2022. The FASB most recently discussed this project on April 11, 2024, and directed the staff to draft a proposed ASU for vote by written ballot. The proposal is expected to be issued in the third quarter of 2024.	
Statement of cash flows — targeted improvements	On November 8, 2023, the FASB decided to add to its technical agenda a project in which targeted improvements would be made to the statement of cash flows. Initially, the scope of the project is limited to (1) reorganizing and disaggregating the statement of cash flows for financial institutions and (2) developing disclosures about an entity's cash interest income received.	
Framework Projects		
Conceptual framework — measurement	On December 21, 2023, the FASB issued a proposed new chapter of its conceptual framework that would contain concepts for the Board to consider when selecting a measurement system for financial statement items. Comments were due by March 20, 2024. On May 8, 2024, the Board directed the staff to draft a final chapter for a vote by written ballot. The chapter is expected to be released in the second quarter of 2024.	

Appendix C: New and Updated Deloitte U.S. Accounting Publications

Roadmap Series

Earnings per Share (June 2024)

Current Expected Credit Losses (May 2024)

Environmental Obligations and Asset Retirement Obligations (May 2024)

Segment Reporting (May 2024)

Contingencies, Loss Recoveries, and Guarantees (April 2024)

Contracts on an Entity's Own Equity (April 2024)

Issuer's Accounting for Debt (April 2024)

Distinguishing Liabilities From Equity (April 2024)

Fair Value Measurements and Disclosures (Including the Fair Value Option) (April 2024)

Foreign Currency Matters (April 2024)

Transfers and Servicing of Financial Assets (April 2024)

Heads Up Newsletters

Highlights of Recent PCAOB Standard-Setting and Rulemaking Activities (June 18, 2024)

FASB Issues ASU to Remove Concepts Statement References From Codification (April 24, 2024)

Frequently Asked Questions About Implementation of the FASB's New Crypto Assets Standard (April 2, 2024)

Comprehensive Analysis of the SEC's Landmark Climate Disclosure Rule (March 15, 2024; updated April 8, 2024)

Financial Reporting Alert Newsletters

Financial Reporting and Accounting Considerations Related to the Current Commercial Real Estate and Banking Macroeconomic Environment (April 16, 2024)

Frequently Asked Questions About "Pillar Two" (March 5, 2024 ; updated April 15, 2024)

EITF Snapshot Newsletter

June 2024

Industry Publication

Health Tech Industry Accounting Guide (April 2024)

Industry Spotlight Series

Government & Public Services Spotlight — U.S. Department of Education's Final Rule Related to Financial Responsibility and Other Matters — Effective Date Approaching (June 20, 2024)

Dbriefs for Financial Executives

We invite you to participate in [Dbriefs](#), Deloitte's live webcasts that give you valuable insights into important developments affecting your business. Topics covered in the [Dbriefs for Financial Executives](#) series include financial reporting, tax accounting, business strategy, governance, and risk. Dbriefs also provide a convenient and flexible way to earn CPE credit — right at your desk.

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The Deloitte Accounting Research Tool

The Deloitte Accounting Research Tool (DART) is a comprehensive online library of accounting and financial disclosure literature. It contains material from the FASB, EITF, AICPA, PCAOB, and SEC, in addition to Deloitte's own accounting manuals and other interpretive guidance and publications.

Updated every business day, DART has an intuitive design and powerful search features that enable users to quickly locate information anytime, from any device and any browser. Users can also work seamlessly between their desktop and mobile device by downloading the DART by Deloitte [mobile app](#) from the App Store or Google Play. While much of the content on DART is available at no cost, subscribers have access to premium content, such as Deloitte's *FASB Accounting Standards Codification Manual*. DART subscribers and others can also [subscribe](#) to *Weekly Accounting Roundup*, which provides links to recent news articles, publications, and other additions to DART. For more information, or to sign up for a free 30-day trial of premium DART content, visit dart.deloitte.com.



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 Accounting 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); <https://www.fasb.org/page/PageContent?pagelid=about-us/advisory-groups/eitf/openissuesandproposedagenda.html> (EITF); <https://www.aicpa-cima.com/home> (AICPA & CIMA); www.sec.gov (SEC); <https://pcaobus.org> (PCAOB); <https://fasab.gov> (FASAB); www.gasb.org (GASB); and www.ifrs.org (IASB and ISSB).

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