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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 — 2021*. While the ongoing COVID-19 pandemic may not be receiving the level of media attention it was a year ago, it continues to have a significant impact on accounting and financial reporting. Since early 2020, companies have had to grapple with unprecedented operational and financial challenges. Now, as companies look to navigate the “new normal” while the economy emerges from COVID-19, additional uncertainties cloud not only the overall economic picture but also the outlook for individual companies. Inflation, supply chain disruptions, and labor shortages are all affecting an increasingly large number of companies in different industries to varying degrees. If a company’s business model and operations are affected, its accounting and financial reporting are likely to be as well.

Other hot topics in 2021 included environmental, social, and governance (ESG) issues and the accounting for special-purpose acquisition company (SPAC) transactions. In addition to releasing a number of different statements on SPACs (see [article](#) below), the SEC issued a request for input on potential climate-change disclosures (see [article](#) below) and posted to its Web site a sample letter of comments the Division of Corporation Finance (the “Division”) “may issue to companies regarding their climate-related disclosure or the absence of such disclosure.” The SEC staff also recently released a public statement on the forthcoming “transition away from LIBOR as a reference rate for a number of different types of investments, including securities.”

The annual AICPA & CIMA¹ Conference on Current SEC and PCAOB Developments returned to Washington, D.C., this year. The conference brings together key stakeholders to discuss developments in accounting, financial reporting, auditing, and other related matters, serving as a platform to address emerging areas of focus and trends affecting the profession.

While the effects of the COVID-19 pandemic were a theme at last year's conference, this year they largely took a back seat to other issues. ESG matters emerged as a key topic. The importance of attracting and retaining professionals to support high-quality financial reporting was also frequently mentioned. Further, the importance of enhancing diversity, equity, and inclusion (DEI) in the profession was highlighted by leaders throughout the conference as well as during the discussions of a panel dedicated to the topic. And as they do each year, key stakeholders discussed the ever-changing landscape of accounting, financial reporting, and capital formation.

For more information about the conference, see Deloitte's December 12, 2021, [Heads Up](#).

The FASB was also busy this year. The Board's standard-setting efforts in 2021 included the issuance of Accounting Standards Updates (ASUs) that:

- Allow lessees that are not public business entities (PBEs) to make an accounting policy election, by class of underlying assets rather than on an entity-wide level, to use a risk-free rate as the discount rate when the rate implicit in the lease is not readily determinable.
- Improve guidance for lessors with leases containing variable lease payments.
- Refine the scope of guidance on reference rate reform.
- Provide guidance on recognizing and measuring contract assets and contract liabilities from contracts with customers acquired in a business combination.
- Offer private companies and not-for-profit (NFP) organizations an alternative to the goodwill triggering event assessment.
- Allow a franchisor that is not a PBE to use a practical expedient when identifying performance obligations in its contracts with customers (i.e., franchisees) under ASC 606.²
- Provide guidance on disclosures about government assistance.
- Clarify guidance on freestanding equity-classified written call options.
- Offer a practical expedient to nonpublic entities for measuring equity-classified share-based payment awards.

In addition, in the fourth quarter, the FASB released proposed ASUs that would (1) amend the guidance on troubled debt restructurings and vintage disclosures in ASC 326 and (2) improve the effectiveness of interim disclosures in the notes to financial statements.

On the international front, the International Accounting Standards Board (IASB®) amended its guidance on (1) accounting estimates and disclosure of accounting policies and (2) deferred taxes related to assets and liabilities arising from a single transaction. The IASB has also recently released proposals that would enhance the disclosure requirements for supplier arrangements and amend its guidance on classification of long-term debt with covenants. Further, the IFRS Foundation (the parent organization of the IASB) has announced the establishment of a new International Sustainability Standards Board (see [article](#) below).

¹ Chartered Institute of Management Accountants.

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

Note that *Quarterly Accounting Roundup: Year in Review — 2021* 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, see issues of [Quarterly Accounting Roundup](#) for the first three quarters of 2021.

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 2021 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.

Publications

In the fourth quarter of 2021, Deloitte issued the following updated Roadmaps:

- [Current Expected Credit Losses](#) (December) — Provides Deloitte's insights into and interpretations of the guidance in [ASU 2016-13](#)³ (codified as ASC 326). The ASU adds to U.S. GAAP an impairment model known as the current expected credit loss model, which is based on expected losses rather than incurred losses.
- [Business Combinations](#) (December) — 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 December 8, 2021, and discusses several active FASB projects that may result in changes to current requirements.
- [SEC Reporting Considerations for Business Acquisitions](#) (December) — Combines the SEC's guidance on reporting for business acquisitions — including acquisitions of real estate operations and pro forma financial information — with Deloitte's interpretations and examples in a comprehensive, reader-friendly format. The 2021 update of this publication reflects the SEC's [final rule](#)⁴ (issued in May 2020) on the financial statement requirements for acquisitions of businesses, including real estate operations and related pro forma financial information. In addition, guidance in the Roadmap has been completely reorganized and streamlined to enable readers to locate information more quickly and intuitively.
- [Consolidation — Identifying a Controlling Financial Interest](#) (November) — Breaks down the requirements in ASC 810 and reconstructs them in a logical narrative, making them easier to understand and apply. While the discussion focuses primarily on the complexities of identifying whether a legal entity is a variable interest entity (VIE) and whether a reporting entity should consolidate the VIE, it also addresses the voting interest entity model and provides a framework for its application.

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

⁴ SEC Final Rule Release No. 33-10786, *Amendments to Financial Disclosures About Acquired and Disposed Businesses*.

- ***Leases*** (November) — Combines the requirements of the FASB's leasing standard, **ASU 2016-02⁵** (codified as ASC 842), with Deloitte's interpretations and examples in a comprehensive, reader-friendly format. In addition, the Roadmap highlights (1) the requirements of ASC 842 that significantly differ from those in ASC 840 (the FASB's previous leasing guidance) and IFRS 16⁶ (the IASB's leasing standard) and (2) recent standard-setting developments (through October 31, 2021). The updated edition of this Roadmap includes some new interpretations and certain modifications to previously expressed views to reflect our latest thinking as well as input from standard setters and regulators.
- ***Earnings per Share*** (November) — Provides an overview of the accounting and disclosure guidance in ASC 260 on earnings per share as well as insights into how to apply the guidance in practice. The 2021 edition of this publication includes updated and expanded guidance.
- ***Income Taxes*** (November) — Provides Deloitte's insights into and interpretations of the income tax accounting guidance in ASC 740. The 2021 edition includes new guidance and editorial enhancements to reflect our latest thinking and input from standard setters and regulators.
- ***Revenue Recognition*** (November) — 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 on transfers of nonfinancial and in-substance nonfinancial assets to noncustomers.
- ***Share-Based Payment Awards*** (November) — 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 2018-07⁷**) as well as in other literature (e.g., ASC 260 and ASC 805).
- ***Statement of Cash Flows*** (November) — Provides Deloitte's insights into and interpretations of the accounting guidance on the statement of cash flows, primarily that in ASC 230. The 2021 update of this Roadmap includes several new discussions as well as some modifications to previously expressed views.
- ***SEC Comment Letter Considerations, Including Industry Insights*** (November) — 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, 2021; and (3) topics of focus related to disclosures associated with financial statement accounting, SEC reporting, initial public offerings (IPOs), foreign private issuers, and industry-specific matters.
- ***Segment Reporting*** (November) — Provides Deloitte's insights into and interpretations of the accounting guidance in ASC 280. Each chapter of the Roadmap contains key takeaways from the chapter's discussion, excerpts from ASC 280, Deloitte's interpretations of those excerpts, and examples to illustrate the relevant guidance.
- ***Noncontrolling Interests*** (November) — Provides Deloitte's insights into and interpretations of the guidance on noncontrolling interests, primarily that in ASC 810-10 and ASC 480-10-S99-3A. The publication is written on the assumption that (1) a parent has already established that consolidation of its subsidiary is appropriate under ASC 810-10 and (2) the equity interests of a subsidiary qualify for equity classification under ASC 480. Consequently, this Roadmap should be viewed

⁵ FASB Accounting Standards Update No. 2016-02, *Leases*.

⁶ IFRS 16, *Leases*.

⁷ FASB Accounting Standards Update No. 2018-07, *Improvements to Nonemployee Share-Based Payment Accounting*.

as a companion publication to Deloitte's Roadmap *Consolidation — Identifying a Controlling Financial Interest*.

- *Carve-Out Transactions* (November) — Discusses key factors for entities to consider as they prepare their carve-out financial statements.
- *Comparing IFRS Standards and U.S. GAAP: Bridging the Differences* (October) — Provides an overview of the most significant differences between U.S. GAAP and IFRS® Standards — two of the most widely used accounting standards in the world. The 2021 edition includes updated and expanded guidance that reflects standards effective as of January 1, 2022, for calendar-year-end public entities.
- *Non-GAAP Financial Measures and Metrics* (October) — Combines the SEC's guidance on non-GAAP measures with Deloitte's interpretations and examples in a comprehensive, reader-friendly format. The 2021 edition reflects recent developments related to non-GAAP measures as well as the SEC's January 2020 *interpretive release* that provides guidance on the disclosure and use of key performance indicators and metrics.
- *Hedge Accounting* (October; inaugural edition) — Provides an overview of the FASB's authoritative guidance on hedge accounting in ASC 815 as well as our insights into and interpretations of how to apply that guidance in practice.
- *Impairments and Disposals of Long-Lived Assets and Discontinued Operations* (October) — 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.
- *Equity Method Investments and Joint Ventures* (October) — Provides Deloitte's insights into and interpretations of the guidance on accounting for equity method investments and joint ventures.
- *Environmental Obligations and Asset Retirement Obligations* (October) — 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. Because the accounting for such obligations will vary depending on the laws and regulations that govern them, this publication gives an overview of some of the applicable federal and state environmental laws and regulations in the United States and describes the application of the accounting guidance within the relevant legal framework.
- *SEC Reporting Considerations for Equity Method Investees* (October) — 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.
- *Initial Public Offerings* (September) — Addresses financial reporting, accounting, and auditing considerations to help companies navigate challenges related to preparing an IPO registration statement and ultimately going public.

New to the 2021 editions of these Roadmaps is *On the Radar*, a section that briefly summarizes emerging issues and trends related to the accounting and financial reporting topics addressed in the publications.

Deloitte has also ramped up its coverage of ESG and other climate-related matters. Recent newsletters on this topic have included the following:

- [*#DeloitteESGNow — Setting the Standard: When ESG and Climate Reporting Meet Financial Reporting*](#) (November 22, 2021, *Heads Up*) — Discusses recent and anticipated moves toward improving the consistency and comparability of companies' sustainability disclosures in their general-purpose financial reporting, including a key development announced at the 26th United Nations Conference of the Parties (COP26).
- [*Accounting Considerations for Environmental Objectives*](#) (November 4, 2021, *Heads Up*) — Takes a strategic look at some of the most common accounting and reporting considerations associated with climate-related matters in the current business environment along with relevant SEC developments.
- [*Financial Reporting Considerations Related to Environmental Events and Activities*](#) (September 30, 2021, *Financial Reporting Alert*) — Examines potential effects of climate-related matters on an entity's financial accounting and reporting in the context of the existing accounting guidance and the current regulatory environment.
- [*SEC Publishes Sample Comments on Climate-Change Disclosures*](#) (September 27, 2021, *Heads Up*) — Addresses a [sample letter](#) publicly released by the Division that highlights the types of comments the Division may issue to public companies regarding climate-related disclosures, primarily focusing on disclosures in the business, risk factors, and MD&A sections of filings.

Other significant recently issued Deloitte publications include the annual update to our [Financial Reporting Alert](#) on pensions and other postretirement benefits (released on December 3). Significant developments related to this topic in the current year include (1) the ongoing effects of COVID-19 and (2) private entities' adoption of [ASU 2018-14](#),⁸ which addresses changes to disclosure requirements related to defined benefit plans. In addition, we continue to monitor developments related to SPAC transactions and recently updated (on December 2) our comprehensive [Financial Reporting Alert](#) on this topic to address ongoing reporting requirements for transactions accounted for as business combinations.

⁸ FASB Accounting Standards Update No. 2018-14, *Disclosure Framework — Changes to the Disclosure Requirements for Defined Benefit Plans*.

Accounting — Newly Effective Standards for Public Business Entities

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Financial Instruments

FASB ASU 2021-04 Clarifies Guidance on Freestanding Equity-Classified Written Call Options

Affects: All entities.

Summary: The FASB issued [ASU 2021-04](#)⁹ on May 3, 2021, to clarify “an issuer’s accounting for certain modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange.” Specifically, the ASU provides a “principles-based framework to determine whether an issuer should recognize the modification or exchange as an adjustment to equity or an expense.”

Next Steps: For both PBEs and non-PBEs, the ASU is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The ASU applies “prospectively to modifications or exchanges occurring on or after the effective date.” Early adoption is permitted.

Other Resources: Deloitte’s March 2021 [EITF Snapshot](#) and Roadmaps [Contracts on an Entity's Own Equity](#), [Issuer's Accounting for Debt](#), and [Earnings per Share](#). Also see the [press release](#) on the FASB’s Web site.

FASB ASU 2020-06 Simplifies Issuer's Accounting for Convertible Instruments and Contracts on an Entity's Own Equity

Affects: All entities.

Summary: The FASB issued [ASU 2020-06](#)¹⁰ on August 5, 2020, to simplify 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: The ASU is effective for PBEs that qualify as SEC filers, except for entities that qualify as smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years.

Other Resources: Deloitte’s August 5, 2020, [Heads Up](#) and Roadmaps [Contracts on an Entity's Own Equity](#), [Issuer's Accounting for Debt](#), and [Earnings per Share](#). Also see the [press release](#) and [FASB in Focus](#) on the FASB’s Web site.

⁹ FASB Accounting Standards Update No. 2021-04, *Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options* — a consensus of the FASB Emerging Issues Task Force.

¹⁰ FASB Accounting Standards Update No. 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*.

Government Assistance

FASB ASU 2021-10 Provides Guidance on Disclosures About Government Assistance*

Affects: All entities.

Summary: The FASB issued [ASU 2021-10](#)¹¹ on November 17, 2021. The ASU creates ASC 832 and requires business entities to provide certain disclosures when they (1) have received government assistance and (2) use a grant or contribution accounting model by analogy to other accounting guidance (e.g., a grant model under IAS 20¹² or ASC 958-605).

Next Steps: The guidance in ASU 2021-10 is effective for all entities for fiscal years beginning after December 15, 2021. Entities may apply the ASU's provisions either (1) prospectively to all transactions within the scope of ASC 832 that are reflected in the financial statements as of the adoption date and all new transactions entered into after the date of adoption or (2) retrospectively. Early adoption is permitted.

Other Resources: Deloitte's December 3, 2021, [Heads Up](#). Also see the [press release](#) on the FASB's Web site.

Leases

FASB ASU 2021-05 Improves Guidance for Lessors With Leases Containing Variable Leasing Payments

Affects: All entities.

Summary: The FASB issued [ASU 2021-05](#)¹³ on July 19, 2021. The ASU requires a lessor to classify a lease with variable lease payments that do not depend on an index or rate (hereafter referred to as "variable payments") as an operating lease on the commencement date of the lease if specified criteria are met. ASU 2021-05 adds ASC 842-10-25-3A7 as a new paragraph. This new guidance requires a lessor to classify a lease with variable payments that do not depend on an index or rate as an operating lease at lease commencement if:

1. The lease would have been classified as a sales-type lease or direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 and 25-3, respectively.
2. The lessor would have recognized a selling loss at lease commencement.

Next Steps: For PBEs and entities within the scope of ASC 842-10-65-1(a), ASU 2021-05 should be applied for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. For all other entities (i.e., those within the scope of ASC 842-10-65-1(b)), the ASU should be applied for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

Other Resources: Deloitte's July 27, 2021, [Heads Up](#) and Roadmap [Leases](#). Also see the [press release](#) on the FASB's Web site.

¹¹ FASB Accounting Standards Update No. 2021-10, *Disclosures by Business Entities About Government Assistance*.

¹² IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*.

¹³ FASB Accounting Standards Update No. 2021-05, *Lessors — Certain Leases With Variable Lease Payments*.

Reference Rate Reform

FASB ASU 2021-01 Refines the Scope of Guidance on Reference Rate Reform

Affects: All entities.

Summary: The FASB issued [ASU 2021-01](#)¹⁴ on January 7, 2021, to amend the scope of the guidance in [ASU 2020-04](#)¹⁵ on facilitation of the effects of reference rate reform on financial reporting. Specifically, the amendments in ASU 2021-01 clarify that “certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition.”

Next Steps: The ASU became effective upon issuance and will apply through December 31, 2022.

Other Resources: Deloitte’s January 11, 2021, [Heads Up](#). Also see the [press release](#) on the FASB’s Web site.

International

IASB Amendments Make Minor Revisions to Certain IFRS Standards

Affects: Entities reporting under IFRS Standards.

Summary: The IASB released various amendments on May 14, 2020, to make minor clarifications and other corrections to the following IFRS Standards:

- *IFRS 3*¹⁶ — These amendments¹⁷ update the IASB’s conceptual framework; no changes are being made to the accounting requirements for business combinations.
- *IAS 16*¹⁸ — These amendments¹⁹ “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 37*²⁰ — These amendments²¹ clarify the “costs a company includes when assessing whether a contract will be loss-making.”

In addition, the IASB released minor amendments²² to certain IFRS Standards as part of its annual improvements process.

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

Other Resources: Deloitte’s May 19, 2020, [IFRS in Focus](#). Also see the [press release](#) on the IASB’s Web site.

¹⁴ FASB Accounting Standards Update No. 2021-01, *Reference Rate Reform (Topic 848): Scope*.

¹⁵ FASB Accounting Standards Update No. 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*.

¹⁶ IFRS 3, *Business Combinations*.

¹⁷ IASB Amendments, *Reference to the Conceptual Framework* — amendments to IFRS 3.

¹⁸ IAS 16, *Property, Plant and Equipment*.

¹⁹ IASB Amendments, *Property, Plant and Equipment — Proceeds Before Intended Use* — amendments to IAS 16.

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

²¹ IASB Amendments, *Onerous Contracts — Cost of Fulfilling a Contract* — amendments to IAS 37.

²² IASB Amendments, *Annual Improvements to IFRS Standards 2018–2020*.

Accounting — Newly Issued Standards²²

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Business Combinations

FASB Provides Guidance on Recognizing and Measuring Contract Assets and Contract Liabilities From Contracts With Customers Acquired in a Business Combination*

Affects: All entities.

Summary: On October 28, 2021, the FASB issued [ASU 2021-08](#),²⁴ which amends ASC 805 to add contract assets and contract liabilities to the list of exceptions to the recognition and measurement principles that apply to business combinations and to “require that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606.” While primarily related to contract assets and contract liabilities that were accounted for by the acquiree in accordance with ASC 606, “the amendments also apply to contract assets and contract liabilities from other contracts to which the provisions of Topic 606 apply, such as contract liabilities from the sale of nonfinancial assets within the scope of Subtopic 610-20.”

Next Steps: For PBEs, the ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The amendments should be applied prospectively to business combinations occurring on or after the effective date of the amendments. Early adoption is permitted, including adoption in an interim period.

Other Resources: Deloitte’s November 2, 2021, [Heads Up](#). Also see the [press release](#) on the FASB’s Web site.

Goodwill

FASB Issues ASU to Provide Private Companies and Not-for-Profit Organizations With Alternative to the Goodwill Triggering Event Assessment

Affects: Private companies and NFP entities.

Summary: On March 30, 2021, the FASB issued [ASU 2021-03](#),²⁵ which allows private companies and NFP entities to use an accounting alternative for performing the goodwill impairment triggering event evaluation (the “goodwill impairment triggering event alternative”). Specifically, the ASU gives a private company or NFP the option of performing the goodwill impairment triggering event evaluation required by ASC 350-20, as well as any resulting goodwill impairment test, as of the end of the entity’s interim or annual reporting period, as applicable.

Next Steps: ASU 2021-03 is effective for private companies and NFP entities for fiscal years beginning after December 15, 2019. Entities may early adopt the ASU’s provisions for interim and annual financial statements that have not yet been issued or made available for issuance as of March 30, 2021. Entities may not retroactively adopt the ASU’s amendments for interim financial statements that have already been issued. Entities must apply the ASU’s provisions prospectively. Further, they have an unconditional one-time option to adopt the goodwill

²³ Newly issued standards that are newly effective for PBEs are covered in the [Newly Effective Standards for Public Business Entities](#) section.

²⁴ FASB Accounting Standards Update No. 2021-08, *Accounting for Contract Assets and Contract Liabilities From Contracts With Customers*.

²⁵ FASB Accounting Standards Update No. 2021-03, *Intangibles — Goodwill and Other (Topic 350): Accounting Alternative for Triggering Impairments Events*.

impairment triggering event alternative prospectively after the ASU's effective date without assessing preferability under ASC 250.

Other Resources: Deloitte's April 8, 2021, [Heads Up](#). Also see the [press release](#) on the FASB's Web site.

Leases

FASB Modifies Accounting Policy Election for Lessees That Are Not Public Business Entities*

Affects: Lessees that are not PBEs.

Summary: On November 11, 2021, the FASB issued [ASU 2021-09](#),²⁶ which amends the guidance in ASC 842-20-30-3 to allow a non-PBE lessee to make an accounting policy election, by class of underlying assets rather than on an entity-wide level, to use a risk-free rate as the discount rate when the rate implicit in the lease is not readily determinable. In addition, the ASU requires lessees to:

1. Disclose their election, including the asset class(es) for which they have elected the accounting policy.
2. Use the rate implicit in the lease instead of the risk-free rate when the former is readily determinable, regardless of whether the practical expedient has been elected.

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

Other Resources: Deloitte's November 12, 2021, [Heads Up](#).

Revenue Recognition

FASB Issues ASU to Provide New Practical Expedient for Private-Company Franchisors

Affects: Private-company franchisors.

Summary: On January 28, 2021, the FASB issued [ASU 2021-02](#),²⁷ which allows a franchisor that is not a PBE to use a practical expedient when identifying performance obligations in its contracts with customers (i.e., franchisees) under ASC 606. When using the practical expedient, a private-company franchisor that has entered into a franchise agreement would treat certain preopening services provided to its franchisee as distinct from the franchise license. The practical expedient is intended to reduce the cost and complexity of applying ASC 606 to preopening services associated with initial franchise fees.

Next Steps: If an entity has not yet adopted ASC 606, the existing effective dates and transition requirements of ASC 606 are applicable to the amendments in ASU 2021-02. If an entity has already adopted ASC 606, the amendments are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Early adoption is permitted. For those entities that have already adopted ASC 606, the amendments must be applied retrospectively as of the date of initial application of ASC 606, with a cumulative-effect adjustment to opening retained earnings.

Other Resources: Deloitte's January 29, 2021, [Heads Up](#). Also see the [press release](#) on the FASB's Web site.

²⁶ FASB Accounting Standards Update No. 2021-09, *Discount Rate for Lessees That Are Not Public Business Entities*.

²⁷ FASB Accounting Standards Update No. 2021-02, *Franchisors — Revenue From Contracts With Customers (Subtopic 952-606): Practical Expedient*.

Share-Based Payment

FASB Offers Practical Expedient to Nonpublic Entities for Measuring Equity-Classified Share-Based Payment Awards*

Affects: Nonpublic entities.

Summary: On October 25, 2021, the FASB issued [ASU 2021-07](#),²⁸ which allows nonpublic entities to use, as a practical expedient, “the reasonable application of a reasonable valuation method” to determine the current price input of equity-classified share-based payment awards issued in exchange for goods or services. The ASU notes that a valuation performed in accordance with specified U.S. Treasury regulations related to Internal Revenue Code Section 409A is an example of a reasonable valuation method under the practical expedient.

Next Steps: The guidance in ASU 2021-07 is effective for nonpublic entities for fiscal years beginning on or after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Entities must apply the ASU’s provisions prospectively and may early adopt them for interim and annual financial statements that have not yet been issued or made available for issuance as of October 25, 2021.

Other Resources: Deloitte’s October 26, 2021, [Heads Up](#) and Roadmap [Share-Based Payment Awards](#). Also see the [press release](#) on the FASB’s Web site.

International

IASB Publishes Narrow-Scope Amendment to IFRS 17*

Affects: Entities reporting under IFRS Standards.

Summary: On December 9, 2021, the IASB published a narrow-scope amendment²⁹ to the transition requirements of IFRS 17³⁰ for entities that first apply IFRS 17 and IFRS 9³¹ at the same time. The amendment concerns financial assets for which comparative information is presented on initial application of IFRS 17 and IFRS 9 but for which this information has not been restated for IFRS 9. Under the amendment, an entity has the option of presenting, on an instrument-by-instrument basis, comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset. The purpose of the amendment is to help insurers avoid “temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when applying IFRS 17 and IFRS 9 for the first time.”

Next Steps: The amendment is effective at the same time as IFRS 17 (i.e., annual reporting periods beginning on or after January 1, 2023).

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

²⁸ FASB Accounting Standards Update No. 2021-07, *Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards* — a consensus of the Private Company Council.

²⁹ IASB Amendment, *Initial Application of IFRS 17 and IFRS 9 — Comparative Information* — amendment to IFRS 17.

³⁰ IFRS 17, *Insurance Contracts*.

³¹ IFRS 9, *Financial Instruments*.

IASB Amends Guidance on Accounting Estimates and Disclosure of Accounting Policies

Affects: Entities reporting under IFRS Standards.

Summary: On February 12, 2021, the IASB released the following two related sets of amendments:

- Amendments³² to IAS 1³³ and IFRS Practice Statement 2³⁴ that are intended to enhance entities' disclosures about accounting policies. The IAS 1 amendments "require companies to disclose their material accounting policy information rather than their significant accounting policies," while the "amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures."
- Amendments³⁵ that clarify the definition of accounting estimates in IAS 8.³⁶ Specifically, these amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty." In addition, these amendments explain "how companies should distinguish changes in accounting policies from changes in accounting estimates."

Next Steps: Both sets of amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early application is permitted.

Other Resources: Deloitte's [February 12, 2021](#), and [February 15, 2021](#), *IFRS in Focus* newsletters. Also see the [press release](#) on the IASB's Web site.

IASB Amends Guidance in IAS 12 on Deferred Taxes Related to Assets and Liabilities Arising From a Single Transaction

Affects: Entities reporting under IFRS Standards.

Summary: On May 7, 2021, the IASB released targeted amendments³⁷ to IAS 12³⁸ to clarify that the initial recognition exemption related to deferred taxes does not apply to transactions such as leases and decommissioning obligations. Thus, entities must recognize deferred taxes for these transactions.

Next Steps: The amendments are effective for annual reporting periods beginning after January 1, 2023. Early application is permitted.

Other Resources: Deloitte's May 7, 2021, *IFRS in Focus*. Also see the [press release](#) on the IASB's Web site.

³² IASB Amendments, *Disclosure of Accounting Policies* — amendments to IAS 1 and IFRS Practice Statement 2.

³³ IAS 1, *Presentation of Financial Statements*.

³⁴ IFRS Practice Statement 2, *Making Materiality Judgements*.

³⁵ IASB Amendments, *Definition of Accounting Estimates* — amendments to IAS 8.

³⁶ IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

³⁷ IASB Amendments, *Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction*.

³⁸ IAS 12, *Income Taxes*.

Accounting — Exposure Drafts

In This Section

- [Credit Losses](#)
 - [FASB Issues Proposal on Troubled Debt Restructurings by Creditors and Vintage Disclosures*](#)
- [Disclosure Framework](#)
 - [FASB Proposes Improvements to Interim Disclosure Requirements*](#)
- [International](#)
 - [IASB Proposes Enhancements to Disclosure Requirements for Supplier Finance Arrangements*](#)
 - [IASB Proposes to Amend Guidance in IAS 1 on Classification of Long-Term Debt With Covenants*](#)
 - [IASB Publishes Request for Information on Postimplementation Review of IFRS 9*](#)

Credit Losses

FASB Issues Proposal on Troubled Debt Restructurings by Creditors and Vintage Disclosures*

Affects: All entities.

Summary: On November 23, 2021, the FASB issued a [proposed ASU](#)³⁹ that would “eliminate the accounting guidance for TDRs by creditors while enhancing disclosure requirements for loan refinancings and restructurings by creditors made to borrowers experiencing financial difficulty.” Further, the proposal would “require that a public business entity disclose current-period gross writeoffs by year of origination for financing receivables and net investment in leases.” The proposed ASU reflects concerns brought up by stakeholders during the FASB’s postimplementation review of the credit losses standard.

Next Steps: Comments on the proposed ASU are due by December 23, 2021.

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

Disclosure Framework

FASB Proposes Improvements to Interim Disclosure Requirements*

Affects: All entities.

Summary: On November 1, 2021, the FASB issued a [proposed ASU](#)⁴⁰ that is intended to “improve the effectiveness of disclosures in notes to financial statements by facilitating clear communication of the information required by generally accepted accounting principles (GAAP) that is most important to users of financial statements.”

Next Steps: Comments on the proposed ASU are due by January 31, 2022.

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

International

IASB Proposes Enhancements to Disclosure Requirements for Supplier Finance Arrangements*

Affects: Entities reporting under IFRS Standards.

Summary: On November 26, 2021, the IASB published an [ED](#)⁴¹ that would amend IAS 7⁴² and IFRS 7⁴³ to require entities to disclose certain quantitative and qualitative information about supplier finance arrangements. The purpose of the ED, which is being issued in response to a comment from a credit rating agency regarding the lack of information about these arrangements in entities’ financial statements, is to help users understand “the effects of these arrangements on an entity’s liabilities and cash flows.”

Next Steps: Comments on the ED are due by March 28, 2022.

Other Resources: Deloitte’s November 30, 2021, [IFRS in Focus](#). Also see the [press release](#) on the IASB’s Web site.

³⁹ FASB Proposed Accounting Standards Update, *Troubled Debt Restructurings and Vintage Disclosures*.

⁴⁰ FASB Proposed Accounting Standards Update, *Disclosure Framework — Changes to Interim Disclosure Requirements*.

⁴¹ IASB Exposure Draft ED/2021/10, *Supplier Finance Arrangements* — proposed amendments to IAS 7 and IFRS 7.

⁴² IAS 7, *Statement of Cash Flows*.

⁴³ IFRS 7, *Financial Instruments: Disclosures*.

IASB Proposes to Amend Guidance in IAS 1 on Classification of Long-Term Debt With Covenants*

Affects: Entities reporting under IFRS Standards.

Summary: On November 19, 2021, the IASB published an [ED](#)⁴⁴ that is intended to “improve the information a company provides about non-current liabilities with covenants by enabling investors to assess whether such liabilities could become repayable within 12 months.”

Next Steps: Comments on the ED are due by March 21, 2022.

Other Resources: Deloitte’s November 23, 2021, [IFRS in Focus](#). Also see the [press release](#) on the IASB’s Web site.

IASB Publishes Request for Information on Postimplementation Review of IFRS 9*

Affects: Entities reporting under IFRS Standards.

Summary: On September 30, 2021, the IASB issued a [request for information](#)⁴⁵ as part of its postimplementation review of the classification and measurement requirements in IFRS 9. The IASB is hoping to use the information it obtains to assess whether these requirements are helpful to financial statement users, whether certain requirements may be difficult to implement and may interfere with consistent application of the standard, and whether unexpected costs may be associated with the requirements.

Next Steps: Comments are due by January 28, 2022.

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

⁴⁴ IASB Exposure Draft ED/2021/9, *Non-current Liabilities With Covenants* — proposed amendments to IAS 1.

⁴⁵ IASB Request for Information, *Post-implementation Review: IFRS 9 Financial Instruments — Classification and Measurement*.

Accounting — Other Key Developments

In This Section

- [AICPA](#)
 - [AICPA Releases Technical Q&As*](#)
- [CAQ](#)
 - [CAQ Issues Audit Alert on Audit Planning for Auditors of Brokers and Dealers*](#)
 - [CAQ Issues Discussion Document on Monitoring Inflation in Certain Countries](#)
 - [CAQ Issues Publication on ESG Reporting](#)
- [Current Business Environment](#)
 - [Financial Reporting Considerations Related to Inflation, Supply Chain Disruptions, and Labor Shortages*](#)
- [International](#)
 - [IFRS Foundation Creates Sustainability Standards Board*](#)

AICPA

AICPA Releases Technical Q&As*

Affects: Various entities.

Summary: In 2021, the AICPA released the following technical Q&As:

- [Q&A Section 9160.36](#),⁴⁶ which provides guidance related to an auditor's reporting on the provider relief fund (a federal program established as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act) in the schedule of expenditures of federal awards.
- [Two Q&As](#) on performing a third-party assessment engagement in accordance with a third-party assessment program. Q&A Section 9550.01⁴⁷ clarifies the definition of a third-party assessment program, while Technical Q&A Section 9550.02⁴⁸ clarifies which professional standards an assessor must apply to a third-party assessment engagement.
- [Revised Q&As](#) (issued in September 2020; revised in April 2021) on the CARES Act provisions that apply to health care entities. The revised Q&As address the following:
 - Accounting used by nongovernmental health care entities (including business entities and NFP entities) that have received Provider Relief Fund (PRF) payments (Q&A Section 6400.63⁴⁹).
 - Accounting for general and targeted distribution payments under the PRF (Q&A Section 6400.64⁵⁰).
 - Period of accounting for Phase 1 general distribution payments under the PRF (Q&A Section 6400.66⁵¹).
 - Accounting for payments under the Medicare Accelerated and Advance Payment Program (Q&A Section 6400.68⁵²).
- [Q&A Section 5270.01](#),⁵³ which provides guidance on how a recipient should account for a shuttered venue operators grant or a restaurant revitalization fund grant issued under the Small Business Administration's COVID-19 relief programs.

⁴⁶ AICPA Technical Q&As Section 9160.36, "Reporting on the Provider Relief Fund in the Schedule of Expenditures of Federal Awards in Relation to the Financial Statements in a Single Audit."

⁴⁷ AICPA Technical Q&As Section 9550.01, "Defining a Third-Party Assessment Program."

⁴⁸ AICPA Technical Q&As Section 9550.02, "Performing a Third-Party Assessment Engagement in Accordance With Standards Promulgated by Bodies Designated by Council."

⁴⁹ AICPA Technical Q&As Section 6400.63, "Background to Sections 6400.64-.70 — CARES Act Provisions Specific to Health Care Entities."

⁵⁰ AICPA Technical Q&As Section 6400.64, "Accounting for Provider Relief Fund General and Targeted Distribution Payments."

⁵¹ AICPA Technical Q&As Section 6400.66, "Period of Accounting for Provider Relief Fund Phase 1 General Distribution Payments."

⁵² AICPA Technical Q&As Section 6400.68, "Accounting for Payments Received Under the Medicare Accelerated and Advance Payment Program."

⁵³ AICPA Technical Q&As Section 5270.01, "Recipient Accounting for Shuttered Venue Operators Grants and Restaurant Revitalization Fund Grants Received Under the Small Business Administration COVID-19 Relief Programs."

CAQ

CAQ Issues Discussion Document on Monitoring Inflation in Certain Countries

Affects: All entities.

Summary: On August 20, 2021, the International Practices Task Force of the CAQ published a [discussion document](#)⁵⁴ that contains data on the three-year cumulative inflation rates for countries whose economies are or may be considered “highly inflationary.” The purpose of the data is to provide a framework that helps registrants apply ASC 830, design appropriate internal controls, and use significant judgment in determining the highly-inflationary status for certain countries.

CAQ Issues Publication on ESG Reporting

Affects: All entities.

Summary: On August 9, 2021, the CAQ released a [publication](#)⁵⁵ that examines “the most recent publicly available ESG data for S&P 500 companies.” The CAQ’s findings included that “95% of S&P 500 companies had detailed ESG information publicly available” and “roughly 6% of S&P 500 companies received assurance from a public company auditing firm over some of their ESG information.”

Current Business Environment

Financial Reporting Considerations Related to Inflation, Supply Chain Disruptions, and Labor Shortages*

Affects: All entities.

Summary: Since early 2020, companies have had to grapple with unprecedented operational and financial challenges. Now, as companies look to navigate the “new normal” while the economy emerges from COVID-19, additional uncertainties cloud not only the overall economic picture but also the outlook for individual companies. Inflation, supply chain disruptions, and labor shortages are all affecting an increasingly large number of companies in different industries to varying degrees. If a company’s business model and operations are affected, its accounting and financial reporting are likely to be as well.

Other Resources: Deloitte’s December 2, 2021, [Financial Reporting Alert](#).

International

IFRS Foundation Creates Sustainability Standards Board*

Affects: Entities reporting under IFRS Standards.

Summary: On November 3, 2021, the IFRS Foundation [announced](#) that it is establishing a new International Sustainability Standards Board (ISSB). The ISSB’s objective will be to develop global standards and disclosure requirements “that address companies’ impacts on sustainability matters relevant to assessing enterprise value and making investment decisions.”

⁵⁴ CAQ Discussion Document, *Monitoring Inflation in Certain Countries*.

⁵⁵ CAQ Publication, *S&P 500 and ESG Reporting*.

Auditing Developments

In This Section

- [AICPA](#)
 - [AICPA Issues SAS on Auditor's Risk Assessment*](#)
 - [AICPA Requests Feedback on Revisions to Code of Professional Conduct*](#)
 - [AICPA Issues FAQ Document on Employee Benefit Plans](#)
 - [AICPA Publishes Amendments Related to the Use of Specialists and the Use of Information Obtained From External Information Sources](#)
 - [AICPA, CIMA, and CAQ Issue ESG Reporting Roadmap](#)
- [CAQ](#)
 - [CAQ Issues Publication on Current Accounting and Auditing Requirements for Climate-Related Risks](#)
 - [CAQ Issues Publication on External Auditors' Responsibilities Related to Illegal Acts and Fraud](#)
 - [CAQ Issues Alert on Special-Purpose Acquisition Company IPOs and Mergers](#)
- [PCAOB](#)
 - [PCAOB Issues Guidance on Evaluating Relevance and Reliability of Audit Evidence Obtained From External Sources*](#)
 - [PCAOB Issues Supplemental Request for Comment Related to the Supervision of Audits Involving Other Auditors*](#)

AICPA

AICPA Issues SAS on Auditor's Risk Assessment*

Affects: Auditors.

Summary: On October 11, 2021, the AICPA released [SAS 145](#),⁵⁶ which “revises the definition of significant risk, includes new guidance on maintaining professional skepticism, and includes a new ‘stand-back’ requirement intended to drive an evaluation of the completeness of the identification of significant classes of transactions, account balances, and disclosures by the auditor.”

Next Steps: SAS 145 is effective for financial statement audits for periods ending on or after December 15, 2023.

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

AICPA Requests Feedback on Revisions to Code of Professional Conduct*

Affects: Auditors.

Summary: On October 5, 2021, the AICPA's Professional Ethics Executive Committee (PEEC) issued an [ED](#)⁵⁷ to request feedback on revisions to the AICPA *Code of Professional Conduct*. The revisions address changes made in the SEC's amendments to the auditor independence requirements in Regulation S-X, Rule 2-01.⁵⁸

Next Steps: Comments on the ED are due by January 5, 2022.

AICPA Issues FAQ Document on Employee Benefit Plans

Affects: Auditors.

Summary: In August 2021, the AICPA issued an [FAQ document](#)⁵⁹ that contains nonauthoritative guidance, including illustrative auditor's reports, on applying SAS 136,⁶⁰ as amended, to financial statement audits of “employee benefit plans subject to the Employee Retirement Income Security Act of 1974 (ERISA) in the initial year of implementation.”

AICPA Publishes Amendments Related to the Use of Specialists and the Use of Information Obtained From External Information Sources

Affects: Auditors.

Summary: On June 8, 2021, the AICPA issued [SAS 144](#)⁶¹ to amend its guidance on the use of specialists and pricing information. According to AICPA Chief Auditor Jennifer Burns, “We heard feedback that more guidance on auditing the fair value of financial instruments would be helpful. This new standard provides that and has a particular focus on the use of pricing services. We've also taken the opportunity to modernize our standards on management's and

⁵⁶ AICPA Statement on Auditing Standards No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*.

⁵⁷ AICPA Exposure Draft, *Proposed Revised Interpretations and Definition — Loans, Acquisitions, and Other Transactions*.

⁵⁸ SEC Regulation S-X, Rule 2-01, “Qualifications of Accountants.”

⁵⁹ AICPA FAQ Document, *Employee Benefit Plans Industry FAQ With Illustrative Auditor's Reports for Initial Year of Implementation of SAS No. 136, as Amended*.

⁶⁰ AICPA Statement on Auditing Standards No. 136, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*.

⁶¹ AICPA Statement on Auditing Standards No. 144, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Sources*.

- [PCAOB Releases Final Rule Related to Determinations Under the Holding Foreign Companies Accountable Act](#)
- [PCAOB Issues Report on 2020 Inspections of Broker-Dealers](#)

auditors' use of specialists, which is becoming more common due to the growing complexity of today's financial reporting."

Next Steps: SAS 144 is effective for financial statement audits for periods ending on or after December 15, 2023.

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

AICPA, CIMA, and CAQ Issue ESG Reporting Roadmap

Affects: Auditors.

Summary: On February 17, 2021, the AICPA, CIMA, and CAQ issued a [roadmap](#)⁶² on ESG reporting. The purpose of the roadmap is to assist audit practitioners by providing an overview of ESG reporting as well as "related risk and legal considerations associated with a company's decision to report ESG information in SEC submissions and engage an independent accounting firm to perform an attestation engagement related to such information."

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

CAQ

CAQ Issues Alert on Audit Planning for Auditors of Brokers and Dealers*

Affects: Auditors.

Summary: On December 8, 2021, the CAQ released an [alert](#)⁶³ that discusses considerations for auditors of brokers and dealers as they plan audit and attestation engagements. Specifically, the publication addresses six key topics: "(1) auditing revenue, (2) audit evidence produced by service organizations and/or the broker or dealer, (3) auditing related party transactions, (4) auditing the supplemental information, (5) performing examination engagements, and (6) performing review engagements."

CAQ Issues Publication on Current Accounting and Auditing Requirements for Climate-Related Risks

Affects: All entities.

Summary: On September 9, 2021, the CAQ released a [report](#)⁶⁴ that addresses "how the key elements of the current accounting and auditing requirements in the United States are required to be applied by company management and auditors with respect to climate-related risks and the audited financial statements." The publication also discusses "how and where [investors can] obtain climate-related information ahead of potential upcoming regulatory changes."

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

⁶² AICPA, CIMA, and CAQ Roadmap, *ESG Reporting and Attestation: A Roadmap for Audit Practitioners*.

⁶³ CAQ Alert, *Audit Planning Alert for Auditors of Brokers and Dealers*.

⁶⁴ CAQ Report, *Audited Financial Statements and Climate-Related Risk Considerations*.

CAQ Issues Publication on External Auditors' Responsibilities Related to Illegal Acts and Fraud

Affects: Auditors.

Summary: On July 26, 2021, the CAQ released a [report](#)⁶⁵ that discusses “the external auditor’s responsibilities with respect to illegal acts under PCAOB auditing standards” and “how the auditor’s responsibility to identify and detect a material financial statement misstatement **due to fraud** differs from the auditor’s responsibilities related to illegal acts.”

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

CAQ Issues Alert on Special-Purpose Acquisition Company IPOs and Mergers

Affects: Auditors and audit committees.

Summary: In May 2021, the CAQ issued an [alert](#)⁶⁶ on considerations for auditors and audit committees regarding IPOs and mergers for SPACs. Specifically, the alert “provides an overview of what a SPAC is and some key considerations for auditors and audit committees related to the unique risks and challenges of a private company entering the public markets through a merger with a SPAC.”

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

PCAOB

PCAOB Issues Guidance on Evaluating Relevance and Reliability of Audit Evidence Obtained From External Sources*

Affects: Auditors.

Summary: In October 2021, the PCAOB issued [staff guidance](#)⁶⁷ that discusses “considerations that address relevance and reliability of information from external sources that the auditor plans to use as audit evidence.” The guidance also covers “the relationship between the quality and quantity of audit evidence.” The guidance represents the perspectives of certain PCAOB staff members but is nonauthoritative.

PCAOB Issues Supplemental Request for Comment Related to the Supervision of Audits Involving Other Auditors*

Affects: Auditors.

Summary: On September 28, 2021, the PCAOB issued a second supplemental [request for comment](#)⁶⁸ on its 2016 proposal to strengthen requirements that apply to auditors that are not part of the accounting firm that issues the audit report. The newly proposed amendments would “adjust certain requirements to better take into account the lead auditor’s role in the audit” and “improve the readability and usability of the amendments and facilitate their implementation.”

Comments were due by November 30, 2021.

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

⁶⁵ CAQ Report, *Illegal Acts: The External Auditor’s Responsibilities*.

⁶⁶ CAQ Alert No. 2021-01, *Auditor and Audit Committee Considerations Related to Special Purposes Acquisition Company (SPAC) Initial Public Offerings and Mergers*.

⁶⁷ PCAOB Staff Guidance, *Evaluating Relevance and Reliability of Audit Evidence Obtained From External Sources*.

⁶⁸ PCAOB Release No. 2021-005, *Second Supplemental Request for Comment: Proposed Amendments Relating to the Supervision of Audits Involving Other Auditors and Proposed Auditing Standard — Dividing Responsibility for the Audit With Another Accounting Firm*.

PCAOB Releases Final Rule Related to Determinations Under the Holding Foreign Companies Accountable Act

Affects: Auditors.

Summary: On September 22, 2021, the PCAOB issued a [final rule](#)⁶⁹ that establishes “a framework for the PCAOB to use when determining, as contemplated under the HFCAA, whether the Board is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction.”

The SEC [approved](#) the final rule on November 5, 2021.

Other Resources: Deloitte’s October 15, 2021, [Heads Up](#). Also see the [press release](#) on the PCAOB’s Web site.

PCAOB Issues Report on 2020 Inspections of Broker-Dealers

Affects: Auditors.

Summary: On August 19, 2021, the PCAOB published a [report](#)⁷⁰ on its 2020 interim inspections related to audits of broker-dealers. The purpose of the interim inspection program was to assess “firms’ compliance with applicable laws, rules, and professional standards when performing audit and attestation engagements for broker-dealers.” The report found that “[t]he number of firms that had one or more audit and/or attestation engagements with deficiencies showed a 14% drop from 2019 but remained high as a percentage of firms inspected (78%).”

⁶⁹ PCAOB Release No. 2021-004, *Rule Governing Board Determinations Under the Holding Foreign Companies Accountable Act*.

⁷⁰ PCAOB Release No. 2021-002, *Annual Report on the Interim Inspection Program Related to Audits of Brokers and Dealers*.

Regulatory and Compliance Developments

In This Section

SEC

- SEC

- [SEC Issues Statements on Special-Purpose Acquisition Companies*](#)
- [SEC Staff Issues Statement on LIBOR Transition*](#)
- [SEC Amends Rules Related to Submission and Disclosure Requirements Under the Holding Foreign Companies Accountable Act*](#)
- [SEC Issues Staff Accounting Bulletin on Spring-Loaded Awards*](#)
- [SEC Issues Proposed Rule on Securities Lending Market*](#)
- [SEC Issues Proposed Rule on Electronic Recordkeeping Requirements*](#)
- [SEC Proposes Amendments to Proxy Rules Related to Voting Advice*](#)
- [SEC Issues Final Rule on Universal Proxy Cards in Contested Director Elections*](#)
- [SEC Proposes Updates to Electronic Filing Requirements*](#)
- [SEC Amends Rules on Filing Fee Disclosure and Payment Methods*](#)
- [SEC Publishes Sample Letter on Climate-Change Disclosures](#)
- [SEC Issues Staff Statement on Registered Funds Investing in the Bitcoin Futures Market](#)
- [SEC Approves Registration of First Security-Based Swap Data Repository](#)
- [SEC Issues ESG Risk Alert](#)
- [SEC Seeks Input on Climate-Related and Other ESG Disclosures](#)

SEC Issues Statements on Special-Purpose Acquisition Companies*

Affects: SEC registrants.

Summary: During 2021, the SEC released the following statements on SPACs:

- On March 31, 2021, the staff of the SEC's Division of Corporation Finance issued a [statement](#) to address "certain accounting, financial reporting and governance issues that should be carefully considered before a private operating company undertakes a business combination with a special purpose acquisition company" (footnote omitted). Specifically, the statement discusses SPAC issues related to (1) shell company restrictions, (2) books and records and internal control requirements, and (3) initial listing standards of national securities exchanges.

In addition, on this same day, SEC Acting Chief Accountant Paul Munter issued a [statement](#) on financial reporting and auditing considerations for companies merging with SPACs.
- On April 8, 2021, John Coates, acting director of the SEC's Division of Corporation Finance, issued a [statement](#) on SPACs, IPOs, and liability risk under the securities laws. In his statement, Mr. Coates notes that the SEC staff will "continue to be vigilant about SPAC and private target disclosure so that the public can make informed investment and voting decisions about these transactions."
- On April 12, 2021, the staff of the SEC's Division of Corporation Finance and the Office of the Chief Accountant issued a [statement](#) that discusses (1) "potential accounting implications of certain terms that may be common in warrants included in SPAC transactions" and (2) "financial reporting considerations that apply if a registrant and its auditors determine there is an error in any previously-filed financial statements."

Other Resources: For more information about accounting and SEC reporting considerations related to SPAC transactions, see Deloitte's October 2, 2020 (last updated December 2, 2021), [Financial Reporting Alert](#).

SEC Staff Issues Statement on LIBOR Transition*

Affects: SEC registrants.

Summary: On December 7, 2021, the SEC staff issued a [statement](#)⁷¹ on the forthcoming "transition away from LIBOR as a reference rate for a number of different types of investments, including securities." Specifically, the staff is releasing this statement "to remind investment professionals of their obligations when recommending LIBOR-linked securities and to remind companies and issuers of asset-backed securities of their disclosure obligations related to the LIBOR transition."

SEC Amends Rules Related to Submission and Disclosure Requirements Under the Holding Foreign Companies Accountable Act*

Affects: SEC registrants.

Summary: On December 2, 2021, the SEC issued a [final rule](#)⁷² that applies to "registrants the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the Public Company

⁷¹ SEC Statement, *SEC Staff Statement on LIBOR Transition — Key Considerations for Market Participants*.

⁷² SEC Final Rule Release No. 34-93701, *Holding Foreign Companies Accountable Act Disclosure*.

- [SEC Issues Staff Guidance on EDGAR Filing of Form C](#)
- [SEC Amends Disclosure Guidance on Confidential Treatment Orders](#)
- [SEC Issues FAQ Document Related to New Guidance on the Fair Value of Fund Investments](#)
- [SEC Provides Sample Letter for Companies Offering Securities During Extreme Price Volatility](#)

Accounting Oversight Board (PCAOB) is unable to inspect or investigate (Commission-Identified Issuers).” Under the final rule, such an issuer must “submit documentation to the SEC establishing that, if true, it is not owned or controlled by a governmental entity in the public accounting firm’s foreign jurisdiction.” Further, if such an issuer qualifies as a “foreign issuer,” as that term is defined in Rule 3b-4 of the Securities Exchange Act of 1934, it must “provide certain additional disclosures in its annual report for itself and any of its consolidated foreign operating entities.”

Next Steps: The amendments will become effective on January 10, 2022, except for the addition of Section 232.405(c)(1)(iii)(C), which is effective from January 10, 2022, until July 1, 2023.

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

SEC Issues Staff Accounting Bulletin on Spring-Loaded Awards*

Affects: SEC registrants.

Summary: On November 29, 2021, the SEC issued [Staff Accounting Bulletin \(SAB\) 120](#), which amends SAB Topic 14.D⁷³ to add considerations related to spring-loaded awards. SAB 120 describes a spring-loaded award as follows:

A share-based payment award granted when a company is in possession of material nonpublic information to which the market is likely to react positively when the information is announced is sometimes referred to as being “spring-loaded.”

Under SAB 120, an entity that grants a share-based payment award while in possession of positive material nonpublic information should consider whether adjustments to the following are appropriate when determining the fair-value-based measure of the award: (1) the current price of the underlying share or (2) the expected volatility of the price of the underlying share for the expected term of the share-based payment award.

Other Resources: Deloitte’s December 3, 2021, [Financial Reporting Alert](#). Also see the [press release](#) on the SEC’s Web site.

SEC Issues Proposed Rule on Securities Lending Market*

Affects: SEC registrants.

Summary: On November 18, 2021, the SEC issued a [proposed rule](#)⁷⁴ that would require “lenders of securities to provide the material terms of securities lending transactions to a registered national securities association, such as the Financial Industry Regulatory Authority.”

Next Steps: Comments on the proposed rule are due by January 7, 2022.

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

SEC Issues Proposed Rule on Electronic Recordkeeping Requirements*

Affects: SEC registrants.

Summary: On November 18, 2021, the SEC issued a [proposed rule](#)⁷⁵ that would add an audit-trail alternative in which “electronic records could be preserved in a manner that permits

⁷³ SEC Staff Accounting Bulletin Topic 14.D, “Share-Based Payment: Certain Assumptions Used in Valuation Methods.”

⁷⁴ SEC Proposed Rule Release No. 34-93613, *Reporting of Securities Loans*.

⁷⁵ SEC Proposed Rule Release No. 34-93614, *Electronic Recordkeeping Requirements for Broker-Dealers, Security-Based Swap Dealers, and Major Security-Based Swap Participants*.

the recreation of an original record if it is altered, over-written, or erased.” In addition, the proposal would “require broker-dealers and all types of SBSs and MSBSs to produce electronic records to securities regulators in a reasonably usable electronic format.”

Next Steps: Comments on the proposed rule are due by January 3, 2022.

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

SEC Proposes Amendments to Proxy Rules Related to Voting Advice*

Affects: SEC registrants.

Summary: On November 17, 2021, the SEC issued a [proposed rule](#)⁷⁶ that would remove (1) “a condition to the availability of certain exemptions from the information and filing requirements of the Federal proxy rules for proxy voting advice businesses” and (2) “a note that provides examples of situations in which the failure to disclose certain information in proxy voting advice may be considered misleading within the meaning of the Federal proxy rules’ prohibition on material misstatements or omission.”

Next Steps: Comments on the proposed rule are due by December 27, 2021.

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

SEC Issues Final Rule on Universal Proxy Cards in Contested Director Elections*

Affects: SEC registrants.

Summary: On November 17, 2021, the SEC issued a [final rule](#)⁷⁷ that requires (1) “parties in a contested election to use universal proxy cards that include all director nominees presented for election at a shareholder meeting”; (2) “dissident shareholders and registrants to provide shareholders with a proxy card that includes the names of all registrant and dissident nominees”; and (3) “registrants and dissidents to provide each other with notice of the names of their nominees, establish a filing deadline and a minimum solicitation requirement for dissidents, and prescribe presentation and formatting requirements for universal proxy cards.”

Next Steps: The final rule will become effective on January 31, 2022.

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

SEC Proposes Updates to Electronic Filing Requirements*

Affects: SEC registrants.

Summary: On November 4, 2021, the SEC issued the following two proposals in an effort to modernize and increase the efficiency of its filing process:

- A [proposed rule](#)⁷⁸ that would update the Commission’s Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system by **requiring the electronic** submission of certain documents that a registrant can currently opt to submit to the SEC either electronically or in paper format.

⁷⁶ SEC Proposed Rule Release No. 34-95395, *Proxy Voting Advice*.

⁷⁷ SEC Final Rule Release No. 34-93596, *Universal Proxy*.

⁷⁸ SEC Proposed Rule Release No. 33-11005, *Updating EDGAR Filing Requirements*.

- A [proposed rule](#)⁷⁹ that would “require that the following types of filings be submitted via [the SEC’s EDGAR] system: applications for orders under any section of the Investment Advisers Act of 1940 (‘Advisers Act’) and confidential treatment requests for filings made under section 13(f) of the Securities Exchange Act of 1934 (‘Exchange Act’).”

Next Steps: Comments on the two proposed rules above are due by December 22 and December 20, 2021, respectively.

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

SEC Amends Rules on Filing Fee Disclosure and Payment Methods*

Affects: SEC registrants.

Summary: On October 13, 2021, the SEC issued a [final rule](#)⁸⁰ that amends “most fee-bearing forms, schedules, statements, and related rules to require each filing fee table and accompanying disclosure to include all required information for fee calculation in a structured format.” Further, the final rule adds “options for fee payment via Automated Clearing House . . . and debit and credit cards” and eliminates “options for fee payment via paper checks and money orders.”

Next Steps: The final rule will become effective on January 31, 2022, with the exception of certain amendments (detailed in the rule) that will become effective on May 31, 2022.

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

SEC Publishes Sample Letter on Climate-Change Disclosures

Affects: SEC registrants.

Summary: In September 2021, the SEC posted to its Web site a [sample letter](#) of comments that the Division of Corporation Finance (the “Division”) “may issue to companies regarding their climate-related disclosure or the absence of such disclosure.” The Division notes that information registrants may be required to discuss in their disclosures may include, but is not limited to, (1) “the impact of pending or existing climate-change related legislation, regulations, and international accords”; (2) “the indirect consequences of regulation or business trends”; and (3) “the physical impacts of climate change.”

Other Resources: Deloitte’s September 27, 2021, [Heads Up](#).

⁷⁹ SEC Proposed Rule Release No. 34-93518, *Electronic Submission for Orders Under the Advisers Act and the Investment Company Act, Confidential Treatment Requests for Filings on Form 13F, and Form ADV-NR; Amendments to Form 13F*.

⁸⁰ SEC Final Rule Release No. 33-10997, *Filing Fee Disclosure and Payment Methods Modernization*.

SEC Issues Staff Statement on Registered Funds Investing in the Bitcoin Futures Market

Affects: SEC registrants.

Summary: On May 11, 2021, the SEC's Division of Investment Management (the "Division") issued a [staff statement](#) urging investors to use caution when investing in a mutual fund with exposure to the Bitcoin futures market. Specifically, the Division staff notes that investors should (1) recognize that Bitcoin is a "highly speculative investment"; (2) "consider the volatility of Bitcoin and the Bitcoin futures market, as well as the lack of regulation and potential for fraud or manipulation in the underlying Bitcoin market"; and (3) "focus on the level of risk they are taking on, and the level of risk they are comfortable taking on, prior to making an investment."

SEC Approves Registration of First Security-Based Swap Data Repository

Affects: SEC registrants.

Summary: On May 7, 2021, the SEC announced that it has approved the registration of its first security-based swap data repository (SDR). With the agency's "registration of DTCC Data Repository (U.S.), LLC (DDR), the security-based swap market now has the first SDR that can accept transaction reports." According to the SEC, "DDR intends to operate as a registered SDR for security-based swap transactions in the equity, credit, and interest rate derivatives asset classes."

The "first compliance date for Regulation SBSR, which governs regulatory reporting and public dissemination of security-based swap transactions," was November 8, 2021.

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

SEC Issues ESG Risk Alert

Affects: SEC registrants.

Summary: On April 9, 2021, the SEC's Division of Examinations issued a [risk alert](#)⁸¹ on ESG reporting. The alert highlights "observations from recent exams of investment advisers, registered investment companies, and private funds offering ESG products and services."

SEC Seeks Input on Climate-Related and Other ESG Disclosures

Affects: SEC registrants.

Summary: On March 15, 2021, SEC Acting Chair Allison H. Lee issued a [statement](#) requesting input from investors, registrants, and other market participants on whether current disclosures related to climate change "adequately inform investors." The statement includes 15 questions intended to help the SEC assess "the materiality of climate-related disclosures, and the costs and benefits of different regulatory approaches to climate disclosure."

Comments were due by June 13, 2021.

Other Resources: Deloitte's March 22, 2021, [Heads Up](#).

⁸¹ SEC Risk Alert, *The Division of Examinations' Review of ESG Investing*.

SEC Issues Staff Guidance on EDGAR Filing of Form C

Affects: SEC registrants.

Summary: On March 19, 2021, the SEC's Division of Corporation Finance issued [staff guidance](#)⁸² related to the filing of Form C with the SEC to address certain rule changes made in [SEC Final Rule Release No. 33-10884](#).⁸³ Specifically, the staff guidance discusses EDGAR filing of Form C for (1) Regulation Crowdfunding offerings exceeding \$1.07 million and (2) crowdfunding issuers and crowdfunding vehicles jointly filing a Form C.

SEC Amends Disclosure Guidance on Confidential Treatment Orders

Affects: SEC registrants.

Summary: On March 9, 2021, the SEC's Division of Corporation Finance published an [amendment](#) to its disclosure guidance⁸⁴ on confidential treatment orders. The amendment gives companies that previously obtained a confidential treatment order three choices for how to handle the order that is about to expire. Those choices are to (1) refile the unredacted exhibit, (2) extend the confidential period in accordance with Rule 406 of the Securities Act or Rule 24b-2 of the Exchange Act, or (3) "transition to the rules governing the filing of redacted exhibits under Regulation S-K Item 601(b)(10)(iv) and parallel rules."

SEC Issues FAQ Document Related to New Guidance on the Fair Value of Fund Investments

Affects: SEC registrants.

Summary: On March 1, 2021, the SEC's Division of Investment Management issued an [FAQ document](#) to clarify whether an independent public accountant must apply the auditing guidance in ASR 118 after the SEC's adoption of Rule 2a-5 of the Investment Company Act of 1940, which provides guidance on the fair value of fund investments. The FAQ document states that "the staff would not object if an independent public accountant chooses to stop looking to the auditing guidance contained in ASR 118 and instead determines the appropriate audit approach by following only the relevant PCAOB auditing standards any time after March 8, 2021, the effective date of the release withdrawing this prior auditing guidance."

SEC Provides Sample Letter for Companies Offering Securities During Extreme Price Volatility

Affects: SEC registrants.

Summary: In February 2021, the SEC's Division of Corporation Finance released a [sample illustrative letter](#) for companies seeking to raise capital in securities offerings during market and price volatility. The sample letter contains comments on the types of disclosures the SEC would expect with respect to risk factors, use of proceeds, and the prospectus summary.

⁸² SEC Announcement, *Staff Guidance on EDGAR Filing of Form C Updated*.

⁸³ SEC Final Rule Release No. 33-10884, *Facilitating Capital Formation and Expanding Investment Opportunities by Improving Access to Capital in Private Markets*.

⁸⁴ SEC CF Disclosure Guidance Topic No. 7, *Confidential Treatment Applications Submitted Pursuant to Rules 406 and 24b-2*.

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 2021-10, <i>Disclosures by Business Entities About Government Assistance</i> (issued November 17, 2021)	Financial statements issued for annual periods beginning after December 15, 2021.	Financial statements issued for annual periods beginning after December 15, 2021.	Yes	December 3, 2021, Heads Up
ASU 2021-09, <i>Discount Rate for Lessees That Are Not Public Business Entities</i> (issued November 11, 2021)	N/A	Entities that have not yet adopted ASC 842 as of November 11, 2021, must adopt the amendments in this ASU at the same time that they adopt ASC 842. For entities that have adopted ASC 842 as of November 11, 2021, the amendments in this ASU are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.	Yes	November 12, 2021, 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 2021-07, <i>Determining the Current Price of an Underlying Share</i> (issued October 25, 2021)	N/A	Effective prospectively for all qualifying awards granted or modified during fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.	Yes	October 26, 2021, Heads Up

ASU 2021-06, <i>Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10786, Amendments to Financial Disclosures About Acquired and Disposed Businesses, and No. 33-10835, Update of Statistical Disclosures for Bank and Savings and Loan Registrants</i> (issued August 9, 2021)	Effective upon issuance.	N/A	N/A	August 9, 2021, DART news item
ASU 2021-05, <i>Lessors — Certain Leases With Variable Lease Payments</i> (issued July 19, 2021)	Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years.	Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.	Yes	July 27, 2021, Heads Up
ASU 2021-04, <i>Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options</i> — a consensus of the FASB Emerging Issues Task Force (issued May 3, 2021)	Fiscal years beginning after December 15, 2021, including interim periods within those fiscal years.	Fiscal years beginning after December 15, 2021, including interim periods within those fiscal years.	Yes	March 2021 EITF Snapshot and May 3, 2021, DART news item
ASU 2021-03, <i>Intangibles — Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events</i> (issued March 30, 2021)	N/A	Fiscal years beginning after December 15, 2019, except for interim financial statements already issued in the year of adoption.	Yes	
ASU 2021-02, <i>Franchisors — Revenue From Contracts With Customers (Subtopic 952-606): Practical Expedient</i> (issued January 28, 2021)	N/A	<p>If an entity has not yet adopted ASC 606, the effective date is annual reporting periods beginning after December 15, 2019, and interim reporting periods within annual reporting periods beginning after December 15, 2020.</p> <p>If an entity has already adopted ASC 606, the amendments in this ASU are effective in interim and annual periods beginning after December 15, 2020.</p>	Yes	January 29, 2021, Heads Up
ASU 2021-01, <i>Reference Rate Reform (Topic 848): Scope</i> (issued January 7, 2021)	Effective upon issuance through December 31, 2022.	Effective upon issuance through December 31, 2022.	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 2020-10, <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 date of ASU 2016-02. See effective date information for ASU 2016-02 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 2020-01, <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>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 Insurance Spotlight
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, Heads Up

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 2019-01, <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)	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. 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.	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. 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.	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.		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 2018-12, <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

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)	<p>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.</p>	<p>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.</p>	Yes	
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	July 20, 2017, Heads Up
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 2016-02. See effective date information for ASU 2016-02 below.	Effective upon adoption of ASU 2016-02. See effective date information for ASU 2016-02 below.	Yes	

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 2017-04, <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 2016-13, <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.	June 17, 2016 , and November 19, 2019 , <i>Heads Up</i> newsletters and Current Expected Credit Losses Roadmap

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	November 19, 2019, Heads Up and Leases Roadmap
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AICPA	Effective Date for Non-PBEs	Deloitte Resources
Final Guidance		
SAS 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i> (issued October 12, 2021)	Effective for 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 2021)	Effective for 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 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, 2020, 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>Holding Foreign Companies Accountable Act Disclosure</i> (34-93701) (issued December 2, 2021)	January 10, 2022, except for the addition of §232.405(c)(1)(iii)(C), which is effective from January 10, 2022, until July 1, 2023.	December 2, 2021, DART news item
Final Rule, <i>Universal Proxy</i> (34-93596) (issued November 17, 2021)	January 31, 2022.	November 17, 2021, DART news item
Final Rule, <i>Performance-Based Investment Advisory Fees</i> (IA-5904) (issued November 4, 2021)	November 10, 2021.	
Final Rule, <i>Filing Fee Disclosure and Payment Methods Modernization</i> (33-10997) (issued October 13, 2021)	January 31, 2022, except for amendments to 17 CFR 203.3a, 17 CFR 230.111, 17 CFR 240.0-9 and 17 CFR 270.0-8 regarding payment options, which are effective on May 31, 2022.	October 13, 2021, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual, Form ID Amendments</i> (33-10984) (issued September 20, 2021)	October 7, 2021.	
Final Rule, <i>Freedom of Information Act Regulations</i> (34-92727) (issued August 23, 2021)	August 26, 2021.	
Final Rule, <i>Adoption of Updated EDGAR Filer Manual</i> (33-10948) (issued June 21, 2021)	July 28, 2021.	
Final Rule, <i>Adoption of Updated EDGAR Filer Manual, Form ID Amendments</i> (33-10935) (issued March 18, 2021)	May 11, 2021.	March 23, 2021, DART news item
Final Rule, <i>Modernization of Delegations of Authority to Commission Staff and Division and Office Descriptions</i> (33-10913) (issued December 22, 2020)	February 16, 2021.	
Final Rule, <i>Investment Adviser Marketing</i> (IA-5653) (issued December 22, 2020)	May 4, 2021.	December 22, 2020, DART news item

Final Rule, <i>Exemption From the Definition of "Clearing Agency" for Certain Activities of Security-Based Swap Dealers and Security-Based Swap Execution Facilities</i> (34-90667) (issued December 16, 2020)	April 2, 2021.	December 17, 2020, DART news item
Final Rule, <i>Disclosure of Payments by Resource Extraction Issuers</i> (34-90679) (issued December 16, 2020)	March 16, 2021.	December 16, 2020, DART news item
Final Rule, <i>Adoption of Updated EDGAR Filer Manual, Proposed Collection and Comment Request for Form ID</i> (33-10902) (issued December 11, 2020)	February 3, 2021.	
Final Rule, <i>Administration of the Electronic Data Gathering, Analysis, and Retrieval System</i> (33-10901) (issued December 11, 2020)	February 3, 2021.	
Final Rule, <i>Market Data Infrastructure</i> (34-90610) (issued December 9, 2020)	June 8, 2021.	December 10, 2020 DART news item
Final Rule, <i>Good Faith Determinations of Fair Value</i> (IC-34128) (issued December 3, 2020)	March 8, 2021.	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)	February 10, 2021.	November 24, 2020, Heads Up
Final Rule, <i>Amendments to the Commission's Rules of Practice</i> (34-90442) (issued November 17, 2020)	January 29, 2021, except for Instruction 8, which became effective on July 12, 2021.	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)	February 19, 2021.	

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)	March 15, 2021.	November 2, 2020, DART news item
Final Rule, <i>Qualifications of Accountants</i> (33-10876) (issued October 16, 2020)	June 9, 2021.	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>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>Amendments to Financial Disclosures About Acquired and Disposed Businesses</i> (33-10786) (issued May 20, 2020)	January 1, 2021.	June 2, 2020, Heads Up and Roadmap SEC Reporting Considerations for Business Acquisitions
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>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>Initial Application of IFRS 17 and IFRS 9 — 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.	
<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>Covid-19-Related Rent Concessions Beyond 30 June 2021</i> — amendment to IFRS 16 (issued March 31, 2021)	Annual reporting periods beginning on or after April 1, 2021.	Yes	March 31, 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>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 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>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 — 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
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

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		
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).</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>On November 23, 2021, the FASB issued a proposed ASU on vintage disclosures. Comments are due by December 23, 2021.</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>Heads Up — <i>FASB Proposes Improvements to Hedge Accounting Guidance</i> (November 26, 2019)</p>
Consolidation reorganization and targeted improvements	<p>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.</p>	<p>Heads Up — <i>FASB Proposes to Reorganize Its Consolidation Guidance</i> (October 5, 2017)</p>
Distinguishing liabilities from equity (phase 2)	<p>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. On February 3, 2021, the Board discussed project direction and scope.</p>	

Fair value hedging: portfolio layer method	<p>On May 5, 2021, the FASB issued a proposed ASU to allow multiple-layer hedges of a single closed portfolio of prepayable financial assets. Comments were due by July 5, 2021. On November 10, 2021, the FASB reaffirmed several decisions 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 2022. PBEs would be required to adopt the ASU for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. All other entities would be required to adopt the ASU for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption would be permitted for entities that have adopted ASU 2017-12.</p>	<p><i>Heads Up — FASB Proposes Further Improvements to Hedge Accounting Guidance (May 21, 2021)</i></p>
Fair value measurement of equity securities subject to contractual sale restrictions	<p>On September 15, 2021, the FASB issued a proposed ASU that would clarify the guidance in ASC 820 on the fair value measurement of an equity security subject to contractual sale restrictions. Under the proposal, a contractual restriction on the sale of an equity security would not be treated as part of the equity security's unit of account and an entity therefore would not consider it when measuring fair value. Comments on the proposed ASU were due by November 14, 2021.</p>	<p><i>Heads Up — FASB Proposes Clarifications to Fair Value Measurement Guidance (October 27, 2021)</i></p>
Financial instruments: credit losses	<p>Acquired Financial Assets</p> <p>On July 14, 2021, the FASB decided to add to its agenda a project on (1) expanding the scope of the purchased credit-deteriorated (PCD) accounting model to all loans acquired in a business combination and (2) modifying the presentation of expected credit losses for acquired financial assets that meet the definition of PCD.</p> <p>Targeted Improvements to the Accounting for Troubled Debt Restructurings (TDR) for Creditors</p> <p>On November 23, 2021, the FASB issued a proposed ASU that would remove the TDR guidance for creditors in ASC 310-40 and enhance disclosure requirements related to borrowers that are experiencing financial difficulty. Comments are due by December 23, 2021.</p>	
Identifiable intangible assets and subsequent accounting for goodwill	<p>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. The FASB most recently discussed this project on November 17, 2021.</p>	

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. The FASB most recently discussed this project on May 26, 2021.	
Investments in tax credit structures using the proportional amortization method (EITF Issue 21-A)	On September 22, 2021, the FASB decided to add a project to the EITF's agenda to expand the proportional amortization method to investments in tax credits other than low income housing tax credit investments.	
Joint venture formations	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 most recently discussed this project on August 4, 2021.	
Leases	<p>Discount Rate for Lessees That Are Not PBEs</p> <p>On November 11, 2021, the FASB issued ASU 2021-09, which allows lessees that are not PBEs to make an accounting policy election by class of underlying asset, rather than on an entity-wide basis, to use a risk-free rate as the discount rate when measuring and classifying leases.</p> <p>Lease Modifications</p> <p>On October 20, 2020, the FASB issued a proposed ASU that would make targeted improvements to the leasing guidance in ASC 842. Comments were due by December 4, 2020. On February 10, 2021, the FASB decided to continue deliberating whether targeted improvements related to lease modification accounting are warranted.</p>	Heads Up — FASB Modifies Accounting Policy Election for Lessees That Are Not Public Business Entities (November 12, 2021)
Practical expedient to measure grant-date fair value of equity-classified share-based awards (PCC Issue 2018-01)	On October 25, 2021, the FASB issued ASU 2021-07 , which allows nonpublic entities to use, as a practical expedient, “the reasonable application of a reasonable valuation method” to determine the current price input of equity-classified share-based payment awards issued in exchange for goods or services. The ASU notes that a valuation performed in accordance with specified U.S. Treasury regulations related to Internal Revenue Code Section 409A is an example of a reasonable valuation method under the practical expedient.	Heads Up — FASB Offers Practical Expedient to Nonpublic Entities for Measuring Equity-Classified Share-Based Payment Awards (October 26, 2021)
Recognition and measurement of revenue contracts with customers under ASC 805	On October 28, 2021, the FASB issued ASU 2021-08 , which requires acquiring entities to apply ASC 606 to recognize and measure contract assets and contract liabilities in a business combination.	Heads Up — FASB Provides Guidance on Recognizing and Measuring Contract Assets and Contract Liabilities From Contracts With Customers Acquired in a Business Combination (November 2, 2021)

Reference rate reform: fair value hedging	On July 29, 2020, the FASB decided to consider developing a principle for benchmark interest rates eligible for fair value hedge accounting.	
Presentation and Disclosure Projects		
Disclosure framework: disclosure review — income taxes	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.	Heads Up — <i>FASB Proposes Changes to Income Tax Disclosure Requirements</i> (March 29, 2019)
Disclosure framework: disclosures — interim reporting	On November 1, 2021, the FASB issued a proposed ASU that would modify the disclosure requirements for interim reporting in ASC 270. Comments are due by January 31, 2022.	
Disclosure improvements in response to SEC's release on disclosure update and simplification	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.	
Disclosure of supplier finance programs involving trade payables	On October 21, 2020, the FASB decided to add this project to its agenda. On June 30, 2021, the FASB made decisions about the scope of the project and required disclosures. The Board expects to issue an exposure draft in the fourth quarter of 2021.	
Disclosures by business entities about government assistance	On November 17, 2021, the FASB issued ASU 2021-10 , which requires business entities to provide certain disclosures when they (1) have received government assistance and (2) use a grant or contribution accounting model by analogy to other accounting guidance.	Heads Up — <i>FASB Provides Guidance on Disclosures Regarding Government Assistance</i> (December 3, 2021)
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." The Board most recently discussed this project on December 8, 2021.	Segment Reporting Roadmap

Conceptual framework

Presentation

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 2021.

Measurement

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.

Elements

On July 16, 2020, the FASB issued a [proposed concepts statement chapter](#) on elements of financial statements. Comments were due by November 13, 2020. On July 28, 2021, the FASB [discussed](#) comment letter feedback and directed its staff to draft a final chapter for a vote by written ballot. The chapter is expected to be issued in the fourth quarter of 2021.

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

Roadmap Series

Current Expected Credit Losses (December 2021)

Business Combinations (December 2021)

SEC Reporting Considerations for Business Acquisitions (December 2021)

Carve-Out Transactions (November 2021)

Consolidation — Identifying a Controlling Financial Interest (November 2021)

Earnings per Share (November 2021)

Income Taxes (November 2021)

Leases (November 2021)

Noncontrolling Interests (November 2021)

Revenue Recognition (November 2021)

SEC Comment Letter Considerations, Including Industry Insights (November 2021)

Segment Reporting (November 2021)

Share-Based Payment Awards (November 2021)

Statement of Cash Flows (November 2021)

Comparing IFRS Standards and U.S. GAAP: Bridging the Differences (October 2021)

Environmental Obligations and Asset Retirement Obligations (October 2021)

Equity Method Investments and Joint Ventures (October 2021)

Hedge Accounting (October 2021)

Impairments and Disposals of Long-Lived Assets and Discontinued Operations (October 2021)

Non-GAAP Financial Measures and Metrics (October 2021)

SEC Reporting Considerations for Equity Method Investees (October 2021)

Initial Public Offerings (September 2021)

Heads Up Newsletters

Highlights of the 2021 AICPA & CIMA Conference on Current SEC and PCAOB Developments (December 12, 2021)

FASB Provides Guidance on Disclosures Regarding Government Assistance (December 3, 2021)

#DeloitteESGNow — When ESG and Climate Reporting Meet Financial Reporting (November 22, 2021)

FASB Modifies Accounting Policy Election for Lessees That Are Not Public Business Entities (November 12, 2021)

[*Accounting Considerations for Environmental Objectives*](#) (November 4, 2021)

[*FASB Provides Guidance on Recognizing and Measuring Contract Assets and Contract Liabilities From Contracts With Customers Acquired in a Business Combination*](#) (November 2, 2021)

[*FASB Proposes Clarifications to Fair Value Measurement Guidance*](#) (October 27, 2021)

[*FASB Offers Practical Expedient to Nonpublic Entities for Measuring Equity-Classified Share-Based Payment Awards*](#) (October 26, 2021)

[*U.S. Regulatory and Standard-Setting Activities Related to Group Audits*](#) (October 15, 2021)

Financial Reporting Alert Newsletters

[*SEC Issues Staff Accounting Bulletin on “Spring-Loaded” Awards*](#) (December 3, 2021)

[*Financial Reporting Considerations Related to Pension and Other Postretirement Benefits*](#) (December 3, 2021)

[*Financial Reporting Considerations Related to Inflation, Supply Chain Disruptions, and Labor Shortages*](#) (December 2, 2021)

[*Accounting and SEC Reporting Considerations for SPAC Transactions*](#) (originally issued October 2, 2020; last updated December 2, 2021)

[*Financial Reporting Considerations Related to Environmental Events and Activities*](#) (September 30, 2021)

EITF Snapshot Newsletter

November 2021

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Further information about the standard setters can be found on their respective Web sites as follows: www.fasb.org (FASB); <https://www.fasb.org/jsp/FASB/Page/LandingPage&cid=1176164637724> (EITF); www.aicpa.org (AICPA); www.sec.gov (SEC); <https://pcaobus.org/> (PCAOB); and www.ifrs.org (IASB and IFRS Interpretations Committee).

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