Crowe

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April 2022

Keeping you informed

First quarter accounting and financial reporting developments

Contents

Message from Sydney Garmong

Partner, National Office

Dear readers,

The world has changed in the past quarter, but we hope this note finds you well.

Despite the emergence of economic and geopolitical risks, the work of accounting standard-setters, regulators, and others in the financial reporting ecosystem continues.

New of note this quarter include two final ASUs from the FASB, an update on conversations with audit committee chairs from the PCAOB, and, among several other rule proposals, the long-awaited SEC rule proposal on climate-related disclosures.

I am grateful to my Crowe colleagues Tony Boras, Alissa Doherty, and Jason Eaves for their significant contributions to this publication. We hope you find this report useful, and we welcome any feedback.

First quarter highlights

During the first quarter of the 2022 calendar year, the Financial Accounting Standards Board (FASB) issued two new standards, one on the portfolio layer method of hedge accounting and one on credit losses guidance on troubled debt restructurings (TDRs) and vintage disclosures.

The Securities and Exchange Commission (SEC) issued statements on materiality and financial statement errors, regulating lawyers, the FASB agenda consultation, the Public Company Accounting Oversight Board (PCAOB), cybersecurity, dynamic regulations, and climate change pledges; issued a reminder of broker-dealer risk; proposed climate-related and cybersecurity disclosures and amendments to beneficial ownership reporting, and whistleblower rules, among other proposals; and reopened the comment periods for the securities loan reporting and pay versus performance proposals.

The PCAOB announced the creation of two new advisory boards and swore in the new chair and a new board member. The American Institute of Certified Public Accountants (AICPA) and the Chartered Institute of Management Accountants (CIMA) issued a digital assets practice aid, an environmental, social, and governance (ESG)-related practice aid, and a new healthcare technical Q&A.

In addition to these highlights from the quarter, we highlight that there are no new final standards or proposals from the Governmental Accounting Standards Board (GASB).

Checklists for the effective dates of FASB Accounting Standards Updates and GASB statements are provided in the appendix.

From the FASB

Final standards

Portfolio layer method of hedge accounting

On March 28, 2022, the FASB issued Accounting Standards Update (ASU) 2022-01, "Derivatives and Hedging (Topic 815): Fair Value Hedging – Portfolio Layer Method," to expand the scope of assets eligible for portfolio layer method hedging to include all financial assets. The update also expands the current last-of-layer method that permits only one hedged layer to allow multiple hedged layers of a single closed portfolio. The last-of-layer method is renamed the portfolio layer method, since more than the last layer of a portfolio could be hedged. In accounting for hedge basis adjustments, the amendments require an entity to do the following:

- Maintain basis adjustments in an existing hedge on a closed portfolio basis (that is, not allocated to individual assets)
- Immediately recognize and present the basis adjustment associated with the amount of the dedesignated layer that was breached in interest income
- Disclose the breach amount and circumstances that led to the breach
- Disclose the total amount of the basis adjustments in existing hedges as a reconciling amount if other areas of GAAP require the disaggregated disclosure of the amortized cost basis of assets included in the closed portfolio

In addition, an entity may not consider basis adjustments in an existing hedge when determining credit losses.

Effective dates

For public business entities, the amendments are effective for fiscal years beginning after Dec. 15, 2022, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after Dec. 15, 2023, including interim periods within those fiscal years. Early adoption is permitted for any entity that has adopted ASU 2017-12 for the corresponding period. If an entity adopts the amendments in an interim period, the effect of adopting the amendments related to basis adjustments should be reflected as of the beginning of the fiscal year of adoption.

Updated credit losses guidance for troubled debt restructurings and vintage disclosures

On March 31, 2022, the FASB issued ASU 2022-02, "Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures," to respond to feedback received from post-implementation review of Topic 326. The amendments eliminate the troubled debt restructuring (TDR) recognition and measurement guidance and now require that an entity evaluate whether the modification represents a new loan or a continuation of an existing loan. The amendments enhance existing disclosures and include new disclosure requirements related to certain modifications of receivables made to borrowers experiencing financial difficulty. To improve consistency for vintage disclosures, the ASU requires that public business entities disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20.

Effective dates

For entities that have adopted ASU 2016-13, the amendments are effective for fiscal years beginning after Dec. 15, 2022, including interim periods within those fiscal years. For entities that have not adopted ASU 2016-13, the effective dates for the amendments are the same as the effective dates in ASU 2016-13. Early adoption is permitted if ASU 2016-13 has been adopted, including adoption in an interim period. If an entity elects to adopt the amendments in an interim period, the guidance should be applied as of the beginning of the fiscal year that includes the interim period.

From the SEC

Public statements and announcements

Broker-dealer risk

On March 14, 2022, Division of Trading and Markets staff issued a reminder to broker-dealers and other stakeholders to remain vigilant to market and counterparty risks in light of the current period of volatility and uncertainty.

Statement on materiality and financial statement errors

On March 9, 2022, Paul Munter, the SEC's acting chief accountant, released a public statement outlining views on assessing the materiality of financial statement errors from the perspective of a reasonable investor. Munter provided reminders on the concept of materiality, thoughts on the importance of objectivity when assessing materiality, and observations from recent fact patterns SEC staff has addressed. Munter also reminded practitioners of SEC staff availability for consultation.

Statement on shareholder proposals

On March 8, 2022, at the Council of Insitutional Investors Spring 2022 Conference, Renee Jones, director of the SEC's Division of Corporation Finance, remarked on the SEC's decision to issue new shareholder proposal guidance, the importance of adhering to commission statements when interpreting commission rules, and how the current shareholder proposal season is progressing.

Remarks on regulating lawyers

At a Practicing Law Institute program on March 4, 2022, SEC Commissioner Allison Herren Lee gave a speech addressing Section 307 from the *Sarbanes-Oxley Act*, which mandates the adoption of minimum standards of professional conduct for attorneys appearing and practicing before the SEC in the representation of issuers. Section 307 addresses the concern that lawyers were acting in the interests of the executives who hired them and not in the interests of those to whom they owed that responsibility. Lee highlighted that to date the SEC has adopted only one standard that requires lawyers to report certain potential violations up the chain of management inside a corporate client, and the SEC has never enforced any actions against lawyers under this standard. She said this mandate calls for a broader set of rules to address the accountability of lawyers and that a set of standards should be established to better protect investors and markets. Lee focused on several areas that need to be addressed including the gate-keeping role of lawyers, lawyers who provide the answers that management desires when there are not supporting facts, the impacts of bad advice related to corporate disclosures, and the inadequacy of current standards.

Among other suggestions, Lee offered a few thoughts on areas that minimum rules should address, including:

- A lawyer's obligation to a corporate client, including how advice should reflect the interests of the corporation and its shareholders rather than the executives who hire the lawyer
- The impact of the advice on the corporation and its shareholders, including the impact if the disclosure decision ultimately proves incorrect
- Advice on materiality
- Competence and expertise requirements
- Firm oversight including a system of quality control
- Independence requirements when providing advice

In closing, Lee stated "That is the goal of standards in this space – to support securities lawyers in giving clients their best advice while living up to the promise of public service that our profession embraces."

Statement on FASB agenda consultation

On Feb. 22, 2022, SEC acting Chief Accountant Munter issued a "Statement on the FASB's Agenda Consultation: Engagement With Investors and Other Stakeholders Vital to Development of High Quality Accounting Standards." In the statement, he noted that in response to FASB's June 2021 Invitation to Comment, "Agenda Consultation," approximately one-third of the more than 500 responses received were from investors or other financial statement users. Munter said, "It is critically important that the FASB, and the Trustees of the Financial Accounting Foundation (the 'FAF') in its important oversight role over the FASB, continue to improve processes for obtaining and considering investor and other stakeholder feedback, and for clearly communicating with those stakeholders regarding how that feedback has impacted the standard-setting process." Munter encouraged all stakeholders to continuously engage with the FASB in the standard-setting process and encouraged investors to share perspectives on what information is useful to them and how they could use that information. He noted that it is important for investors and other stakeholders to understand how their feedback is considered by the FASB, so the FASB should continue to focus on improving transparency in its communications of the types of investors the FASB engages with, the diverse extent and nature of investor feedback, and how the FASB considers investor feedback.

In addition, because the objective of financial reporting is to provide decision-useful information to investors and other users of financial reports, Munter noted that the FASB should be transparent about how projects would benefit investors and other financial statement users to meet this objective. In its decisions to add projects to its agenda or make changes to its standards, the FASB should make a clear case for change and should consider the expected costs for preparers and users as well as benefits of a change. Munter highlighted a few examples of current projects where there is diversity in views, including intangibles and subsequent accounting for goodwill, disaggregation of financial reporting information, climate-related transactions and disclosures, and digital assets.

As the FASB considers feedback, Munter said he believes it should keep in mind "the importance of: 1) making the case for change; 2) appropriately scoping projects to make timely, meaningful, and achievable changes while ensuring appropriate due process is used throughout the standard-setting life cycle; and 3) continuing to seek investor and other stakeholder input." In conclusion, Munter reiterated the importance of the FAF and FASB's focus on improvement and their efforts to better address the significant and evolving needs of investors. Munter said he looks forward to the continued progress and improvements in incorporating investors' feedback into the standard-setting process.

Remarks on the PCAOB

On Feb. 15, 2022, before the Stanford Law School Federalist Society, SEC Commissioner Hester M. Peirce presented remarks on the PCAOB. She said the PCAOB is not working alone and has a small but very important role to play in the broader economy. Peirce noted that the economy is all about working with other people to enable all participants to survive and prosper and that auditors have a part in the cooperation and collaboration as high-quality financial statements enable investors to determine whether to invest money in a company. As auditors play a role in producing high-quality financial reporting, so too do audit regulators and accounting and audit standard-setters. On this point, Peirce highlighted the role of the PCAOB by first touching on its history and then describing certain obstacles and challenges the PCAOB has faced and will face in the current marketplace and in the future. She described the unusual structure of the PCAOB where the SEC has responsibility for overseeing the PCAOB's activities and approving its budget. This structure also creates duplication in setting standards, enforcement actions, and independence requirements.

Finally, she warned of the PCAOB's potential involvement in ESG issues and said that its involvement in the ESG area could "undermine the ability of the PCAOB to play its role as neutral arbiter of audit quality."

Remarks on money market, open-end bond, hedge funds

On Feb. 4, 2022, SEC Chair Gary Gensler presented a statement before the Financial Stability Oversight Council (FSOC) regarding financial resiliency of money market funds, open-end bond funds, and hedge funds. His statement highlighted how the nature, scale, and interconnectedness of these funds could create financial stability issues.

Gensler said that he believes the SEC has a responsibility to help protect for financial stability. To meet that responsibility, he and the SEC have taken several actions including:

- Requesting staff to make recommendations for strengthening the resiliency of these fund sectors
- Proposing amendments to the rules that govern money market funds
- Considering improvements to the fund liquidity rule or considering other reforms to enhance fund liquidity, pricing, and resiliency in possible future stress events for open-end bond funds
- Proposing amendments to Form PF for hedge funds

- Proposing a rule to require public reporting of large security-based swap positions
- Reproposing a new rule to prevent fraud, manipulation, and deception in connection with security-based swap transactions

In closing, Gensler noted that he welcomes the FSOC's input on the SEC's ongoing consideration of how to improve resiliency for money market funds, open-end bond funds, and hedge funds.

Speech on cybersecurity

Chair Gensler presented a speech on cybersecurity at the Annual Securities Regulation Institute at Northwestern Pritzker School of Law on Jan. 24, 2022. After providing a brief look at the history of cyberattacks and noting that the cost may well be in the trillions, Gensler noted that cybersecurity relates to all parts of the SEC's mission and that the SEC has many rules that address cyber risk. These rules relate to business continuity, books and records, compliance, disclosure, market access, and anti-fraud, among others. When considering cybersecurity policy, Gensler focuses on cyberhygiene and preparedness, cyber incident reporting to the government, and disclosure.

To provide insight into the SEC's focus on cyber risks, Gensler indicated he has requested SEC staff recommendations on:

- Updating and expanding Regulation SCI, which is designed to help ensure entities such as stock exchanges, clearinghouses, alternative trading systems, and self-regulatory organizations have sound technology programs, business continuity plans, testing protocols, and data backups
- Strengthening cybersecurity hygiene and incident reporting for financial sector registrants, considering guidance issued by the Cybersecurity and Infrastructure Security Agency and others
- Determining how customers and clients receive notifications about cyber events when their data has been accessed and potentially changing the timing and substance of notifications as required under Regulation S-P
- Disclosing cybersecurity practices, cyber risks, and cyber events for public companies
- Further addressing cybersecurity risk related to service providers to protect investors and make sure key services are not disrupted

Remarks on dynamic regulations

Before the Exchequer Club of Washington, D.C., on Jan. 19, 2022, Chair Gensler presented prepared remarks on dynamic regulations for a dynamic society, quoting a 1963 report that said "no regulation can be static in a dynamic society." He described two guiding principles over dynamic regulations:

- Continuing to drive efficiency in the U.S. capital markets
- Modernizing the SEC rules for today's economy and technologies

He said that efficiency is about lower costs for both issuers and investors and stated that he has requested recommendations from SEC staff about how to move toward increased efficiency in the capital markets through competition and transparency. Gensler then discussed modernizing SEC rules for the current economy and technologies and the importance of innovation in the U.S. markets. He said that the "most dramatic change to our markets is the use of predictive data analytics and artificial intelligence" and that while these developments increase access and choice, they also create significant public policy considerations, including conflicts of interest, bias, and systemic risks.

Remarks on climate change pledges

At a virtual meeting on Dec. 14, 2021, SEC Commissioner Caroline Crenshaw described climate change as a crisis and noted that it will have a substantial impact on the U.S. capital markets. In addressing certain aspects of climate change, she discussed the recent increase in net-zero pledges by public companies and highlighted that in many cases it was unclear how companies would achieve these goals or what information they would need to give investors to evaluate and monitor implementation of these pledges over time. Crenshaw noted that "while net-zero emissions pledges are an important step forward, they underscore the loud, repeated, and sustained calls for decision-useful metrics – metrics calculated using reliable and comparable methodologies that enable investors to decide whether the companies mean what they say." She specifically called for disclosure of political spending, which may conflict with companies' net-zero strategies and might further the interests of executives rather than the interests of the investors. Additionally, she noted that linking executive compensation to achieving ESG goals further underscores the need for accurate and reliable climate metrics and decision-useful disclosures.

She concluded with comments on the importance of disclosure of information in the private markets and warned of the risks tied to these markets, where the SEC has less visibility and less oversight.

Proposals

Proposed SPAC disclosure rules

On March 30, 2022, the SEC proposed rules related to special purpose acquisition companies (SPACs) that would:

- Increase disclosures and provide more investor protections in initial public offerings by SPACs and de-SPAC transactions (business combination transactions between SPACs and private operating companies)
- Determine the treatment of business combination transactions involving a reporting shell company under the *Securities Act of 1933* and revise the financial statement requirements applicable to transactions involving shell companies, including SPACs
- Expand the guidance on the presentation of projections in SEC filings to address concerns about reliability and reasonableness
- Provide that a SPAC that complies with the conditions in the rule would not need to register as an investment company under the *Investment Company Act of 1940*

Comments are due 60 days after publication on the SEC's website or 30 days after publication in the Federal Register, whichever period is longer.

Proposed rules to standardize climate-related disclosures

On March 21, 2022, the SEC proposed rule changes that would require registrants to include certain climate-related disclosures in their registration statements and periodic reports. The proposed rule changes would require a registrant to disclose information about:

- The registrant's governance of climate-related risks and relevant risk management processes, including disclosures to understand developed transition plans and publicly set climate-related targets or goals
- How any climate-related risks identified by the registrant have had or are likely to have a material impact on its business and consolidated financial statements over time
- How any identified climate-related risks have affected or are likely to affect the registrant's strategy, business model, and outlook
- The impact of climate-related events and transition activities on the line items of the consolidated financial statements, as well as on the financial estimates and assumptions used in the financial statements

The proposal also requires disclosure of a registrant's greenhouse gas (GHG) emissions, requiring a registrant to disclose information about its own emissions (Scope 1) and indirect emissions from purchased electricity or other forms of energy (Scope 2). In addition, a registrant would be required to disclose GHG emissions from upstream and downstream activities in its value chain (Scope 3) under certain circumstances. Additionally, accelerated filers and large accelerated filers would be required to include an attestation report from an independent attestation service provider covering Scopes 1 and 2 emissions disclosures. The proposed rules would include a phase-in period for compliance.

The proposal would require climate-related disclosures to be filed using inline extensible business reporting language (inline XBRL).

Commissioners Crenshaw, Gensler, Lee, and Peirce each released a public statement explaining their views on the proposal.

Comments are due 30 days after publication in the Federal Register or 60 days after the date of issuance, whichever period is longer.

Proposed cybersecurity disclosures

On March 9, 2022, the SEC proposed new cybersecurity incident and risk management, strategy, and governance disclosures, which would:

- Require disclosure in Form 8-K within four business days of the determination of a material cybersecurity breach
- Require periodic disclosures about, among other items:
  - The entity's policies and procedures to identify and manage cybersecurity risks, including whether the entity considers cybersecurity to be part of its business strategy, financial planning, and capital allocation
  - Management's experience in assessing and managing cybersecurity risk and its role in implementing the entity's policies, procedures, and strategies
  - The entity's board of directors' cybersecurity expertise and its oversight of cybersecurity risk
  - Updates about previously reported material cybersecurity incidents
  - A series of previously undisclosed individually immaterial cybersecurity incidents that has become material in the aggregate

The proposal would require cybersecurity disclosures to be filed using inline XBRL.

Comments are due May 9, 2022.

Proposed amendments to short sale disclosure rule, order marking requirement, CAT

The SEC, on Feb. 25, 2022, proposed rule changes that would provide greater transparency to investors and regulators by increasing the public availability of data related to short sales. New *Exchange Act* Rule 13f-2 would require institutional investment managers who exercise investment discretion over short positions meeting specified thresholds to report on the proposed Form SHO information relating to end-of-the-month short positions and certain daily activity affecting such short positions. Under the proposed rule, the SEC would aggregate the data by security and publicly distribute the aggregate data to all investors. This aggregate data would supplement the short sale data currently available from the Financial Industry Regulatory Authority and stock exchanges.

Additionally, the SEC proposed a new provision of Regulation SHO, Rule 205, to create a new “buy to cover” order marking requirement for broker-dealers. Regulation SHO requires a broker-dealer to identify each sale order that it effects as either “long,” “short,” or “short-exempt”; however, it does not include such a requirement for purchase orders. This proposed rule would require a broker-dealer to mark a purchase order as “buy to cover” if the purchaser has any short position in the same security at the time the purchase order is entered.

The SEC also proposed to amend the national market system plan governing the consolidated audit trail (CAT) to require CAT reporting firms to report “buy to cover” information. The proposed amendments include a provision that would require each CAT reporting firm to indicate where it is asserting use of the bona fide market making exception under Regulation SHO.

Comments are due April 26, 2022.

Comment period for securities loans reporting proposal reopened

On Feb. 25, 2022, the SEC reopened the comment period for its proposed rule on reporting securities loans. The original proposed rule of Nov. 18, 2021, was intended to strengthen the transparency and efficiency of the securities lending market by requiring lenders of securities to provide the material terms of securities lending transactions to a registered national securities association. That association would then make available to the public certain information concerning each transaction and aggregate information on securities on loan and available to loan.

In reopening the comment period, the SEC is requesting comment on any potential effects of the proposed *Securities Exchange Act of 1934* (*Exchange Act*) Rule 13f-2 regarding short sale disclosure that the SEC should consider in determining whether to adopt the proposed *Exchange Act* rule regarding the reporting of securities loans.

Comments were due April 1, 2022.

Proposed amendments to beneficial ownership reporting

On Feb. 10, 2022, the SEC issued a proposal to modernize beneficial ownership reporting requirements to provide more timely information. The proposed amendments would accelerate filing deadlines for beneficial ownership reports under *Exchange Act* Sections 13(d) and 13(g) and require Schedule 13D and Schedule 13G filings to be filed using machine readable structured language, among other amendments.

The proposed amendments would accelerate the filing deadlines for Schedule13D beneficial ownership reports from 10 days to five days and require that amendments be filed within one business day. For Schedule 13G, the filing deadlines which differ based on type of filer would also be accelerated. The amendments, among other changes, would also extend the application of 13D and 13G to certain derivative securities and provide new exemptions to permit certain persons to communicate and consult with one another, jointly engage issuers, and execute certain transactions without being subject to regulation as a group under the regulations.

Comments were due April 11, 2022.

Proposed amendments to whistleblower rules

On Feb. 10, 2022, the SEC proposed changes to two whistleblower program rules that would 1) allow the SEC to pay whistleblower awards in cases where those awards might otherwise be paid under another entity's whistleblower rules and 2) affirm the SEC's authority to consider increasing awards in certain circumstances.

According to Chair Gary Gensler, "these amendments, if adopted, would help ensure that whistleblowers are both incentivized and appropriately rewarded for their efforts in reporting potential violations of the law to the Commission."

Comments were due April 11, 2022.

Proposed amendments to private fund investor protection

On Feb. 9, 2022, the SEC proposed new rules and amendments to enhance private fund investor protection. These new rules and amendments would require private funds to provide quarterly reporting of fees and performance, obtain an annual audit, and document annual compliance reviews. Additionally, the proposed rules would prohibit private fund advisers from providing certain types of preferential treatment to investors in their funds unless it is disclosed to investors and would prohibit all private fund advisers from engaging in certain activities.

Comments are due April 25, 2022.

Proposed cybersecurity risk management rules for investment advisers and funds

The SEC, on Feb. 9, 2022, issued a cybersecurity risk management for investment advisers and funds proposal, under which investment advisers and funds would be required to adopt written cybersecurity policies, report significant cybersecurity events to the SEC on a new confidential form, publicly disclose certain cybersecurity events, and implement certain record-keeping policies.

Comments were due April 11, 2022.

Proposed amendments to shorten the securities transaction settlement cycle

The SEC, on Feb. 9, 2022, issued a proposal on reducing risk in clearance and settlement that would shorten the standard securities trade settlement cycle from two business days after trade date to one business day after trade date. The proposal also addresses shortening the process of confirming and affirming the trade information necessary to prepare a transaction for settlement so that it can be completed by the end-of-trade date. The proposal also would require clearing agencies that provide central matching services to facilitate fully automated transaction processing and to provide annual reports on progress.

Comments were due April 11, 2022.

Comment period for pay versus performance reopened

On Jan. 27, 2022, the SEC reopened the comment period on proposed rules for pay versus performance that were issued to address Section 953(a) of the *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010*. The act requires disclosure of information reflecting the relationship between executive compensation actually paid by a company and the company's financial performance. The reopening of the comment period is meant to allow interested parties additional opportunity to analyze and comment on the proposal considering developments in compensation practices since the first publication in 2015 and to respond to the additional requests for comment included in this release. In the release, Chair Gensler noted, "If adopted, this proposed rule would strengthen the transparency and quality of executive compensation disclosure."

Comments were due March 4, 2022.

In a dissenting statement, Commissioner Peirce stated that she does not agree with the reopening of the comment period, and she described the original proposal as flawed.

Proposed amendments to Regulation ATS, Regulation SCI

Building on a 2020 proposal to enhance transparency and oversight over alternative trading systems (ATS) that trade government securities, the SEC on Jan. 26, 2022, proposed amendments to:

- Expand Regulation ATS to include ATSs that trade government securities, National Market System stock, and other securities
- Extend Regulation Systems Compliance Integrity (SCI) to ATSs that trade government securities
- Expand the definition of "exchange" to include communication protocol systems so that communication protocol systems that operate as ATSs would need to adhere to Regulation ATS

Under the proposed amendments, ATSs that limit securities activities to government securities or repurchase agreements or reverse repurchase agreements on government securities and register as broker-dealers, or are banks, would no longer be exempt from Regulation ATS. The goal is to expand investor protections and enhance cybersecurity by covering more ATSs that trade Treasurys and other government securities under the regulatory framework.

Comments are due April 18, 2022.

Commissioner Crenshaw issued a statement supporting the proposal and saying that the proposed amendments advance the objective of fair competition. She said that as part of this proposal, the SEC is "soliciting comment on the possibility of extending the operational transparency requirements of Rule 304 to all categories of ATSs, including ATSs that trade corporate debt securities, municipal securities, and equity securities other than NMS stocks." It also is soliciting comment "on whether to prohibit certain practices that present potential conflicts of interest, including the disclosure of confidential subscriber information and trading by the broker-dealer operator and its affiliates in the ATS."

In a dissenting statement on the proposed amendments to Regulation ATS, Commissioner Peirce described the proposal as "too wide-ranging and, given its length, too unwieldy to facilitate careful consideration. . . . And the release goes well beyond government securities, or even fixed-income securities; key parts of the proposal affect trading venues that make any type of security available for trading." She also criticized the length of the comment period as too short to fully evaluate and analyze the proposal. She concluded her statement with "a final message to those who operate any service that is designed to facilitate any communication between potential buyers and sellers of any type of security: Read this release. Even if you have nothing to do with government securities or even fixed-income, or with traditional securities, read this release. Preferably as soon as it is published on the Commission's website. It covers a lot of ground, and you should not assume that it has nothing to do with you, because it probably does."

Proposed changes to Form PF

On Jan. 26, 2022, the SEC proposed changes to Form PF, which certain private fund advisers use to report confidentially to the SEC, to:

- Require new current reporting of specified events for large hedge fund advisers and advisers to private equity funds
- Decrease the reporting threshold for large private equity advisers
- Revise reporting requirements for advisers of large private equity and large liquidity funds

Comments were due March 21, 2022.

Proposed amendments to insider trading plans and related disclosures

On Jan. 13, 2022, the SEC reissued, for public comment, its proposal "Rule 10b5-1 and Insider Trading," which was originally issued on Dec. 15, 2021.

Comments were due April 1, 2022.

Staffing updates

On March 15, 2022, Commissioner Lee announced that as her term expires in June 2022, she intends to step down from the SEC once her successor has been confirmed.

Elad Roisman issued a departing statement on Jan. 21, 2022, his last day as SEC commissioner. Roisman reflected on his time at the SEC, the importance of the SEC's mission, and his gratitude for those with whom he has worked.

On the same day, Chair Gensler and Commissioners Peirce, Crenshaw, and Lee jointly issued a statement on Roisman's departure thanking him for his service to the SEC and highlighting his many contributions.

From the PCAOB

Conversations with audit committee chairs

As part of the PCAOB's strategic goal of enhancing transparency and accessibility through proactive stakeholder engagement, the PCAOB released, on March 24, 2022, "2021 Conversations With Audit Committee Chairs," which summarizes feedback received from outreach conducted during 2021. This report provides a summary of perspectives from approximately 240 audit committee chairs at U.S. public companies whose audits the PCAOB inspected. The report focuses on the following topics: required communications between the auditor and audit committee, discussions outside of required communications, auditor strengths and areas for improvement, PCAOB inspection reports, quality control systems at audit firms, auditor's use of technology, and information outside of the financial statements including ESG and non-GAAP measures.

New advisory groups

On Jan. 31, 2022, the PCAOB announced the creation of two new advisory groups: the Investor Advisory Group and the Standards and Emerging Issues Advisory Group. These advisory groups have been created to enhance investor and stakeholder engagement and will help the PCAOB gather input from stakeholders and investors on how to improve audit quality. With this announcement, the PCAOB issued a request for public comment to solicit input on the proposed structures of the two new groups and a request for nominations. Comments and nominations were due Feb. 28, 2022.

At an open meeting on March 29, 2022, the PCAOB approved the charters for the two new advisory groups. Also at the meeting, the PCAOB voted to dissolve the Standards Advisory Group.

The PCAOB expects to announce appointments early this spring and anticipates that public meetings will begin shortly thereafter.

New board members

Erica Y. Williams was sworn in as chair of the PCAOB on Jan. 10, 2022, and will serve until Oct. 24, 2024. Most recently a litigation partner at Kirkland & Ellis LLP, Williams previously spent more than a decade in various roles at the SEC and served as special assistant and associate counsel to President Barack Obama.

On Jan. 3, 2022, Anthony C. Thompson was sworn in as a PCAOB board member. His term will run through Oct. 24, 2022. Thompson joins the SEC from his position as the executive director and chief administrative officer of the Commodity Futures Trading Commission (CFTC). Prior to his time at the CFTC, Thompson held senior positions at the U.S. Department of Agriculture and served in the United States Air Force for 32 years.

From the AICPA and CIMA

Digital assets practice aid

During January 2022, the AICPA and CIMA released a practice aid addressing accounting for and auditing of digital assets. The practice aid provides nonauthoritative guidance that is specific to U.S. generally accepted accounting principles and generally accepted auditing standards and is based on existing professional literature and the experience of members of the Digital Assets Working Group.

ESG-related matters practice aid

On Dec. 5, 2021, the AICPA and CIMA released a new practice aid, "Considerations of ESG-Related Matters in an Audit of Financial Statements." The practice aid addresses the responsibilities of management, those charged with governance, and the auditor when considering climate-related matters in an audit of financial statements.

Healthcare TQA

During February 2022, the AICPA issued new Technical Question and Answer (TQA) 6400.71, "Accounting by a Recipient Entity for Vaccines or Other Pharmaceuticals, Medical Supplies, or Equipment Received for Distribution to Specified Patients." The TQA provides nonauthorative accounting guidance about whether nongovernmental healthcare entities that receive vaccines or other pharmaceuticals, medical supplies, or equipment free of charge to dispense to specific patients can record contributed nonfinancial assets at the fair value for the items received. The TQA also provides a framework to consider for each program.

From the GASB

There were no final standards or new proposals issued by the GASB during the first quarter of 2022.

Accounting Standards Updates (ASU) effective dates

Checklist A

ASU effective dates for public business entities (PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Leases with Variable Lease Payments (ASU 2021-05) Provides that lessors should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if certain criteria are met.	**March 31, 2022**	**Permitted**
Goodwill Impairment Testing (ASU 2017-04) Removes step two – the requirement to perform a hypothetical purchase price allocation when the carrying value of a reporting unit exceeds its fair value – of the goodwill impairment test. **ASU 2019-10** – Deferral of effective dates.	**For SEC filers, excluding smaller reporting companies, tests performed on or after Jan. 1, 2020** **For all other PBEs, including smaller reporting companies, tests performed on or after Jan. 1, 2023**	**Permitted for interim or annual goodwill impairment tests performed on testing dates on or after Jan. 1, 2017**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Credit Losses (ASU 2016-13) Replaces the incurred loss model with the current expected credit loss (CECL) model for financial assets, including trade receivables, debt securities, and loan receivables. Clarifying standards: **ASU 2018-19** – Clarifies that impairment of operating lease receivables is in the scope of ASC Topic 842, "Leases," and not the CECL model.	**For SEC filers, excluding smaller reporting companies, March 31, 2020** **For all other PBEs, including smaller reporting companies, March 31, 2023**	**Permitted as of the fiscal years beginning after Dec. 15, 2018, including interim periods within**
ASU 2019-04 – Provides specific improvements and clarifications to the guidance in Topic 326. Addresses accrued interest, transfers between classifications or categories for loans and debt securities, recoveries, vintage disclosures, and contractual extensions and renewal options. **ASU 2019-05** – Targeted transition relief provides an option to irrevocably elect the fair value option, on an instrument-by-instrument basis, for certain financial assets (excluding held-to-maturity debt securities) previously measured at amortized cost. **ASU 2019-10** – Deferral of effective dates. **ASU 2019-11** – Provides specific improvements and clarifications to the guidance in Topic 326. Addresses expected recoveries for purchased financial assets with credit deterioration, transition relief for troubled debt restructurings, disclosures related to accrued interest receivables, financial assets secured by collateral maintenance provisions, and conforming cross-references to Subtopic 805-20. **ASU 2020-03** – Aligns contractual term to measure expected credit losses for a net investment in a lease to be consistent with the lease term determined under Topic 842. Clarifies that when an entity regains control of financial assets sold, an allowance for credit losses should be recorded.	**For ASU 2019-04, ASU 2019-05, ASU 2019-11, and ASU 2020-03, March 31, 2020, for entities that have adopted ASU 2016-13; otherwise effective dates the same as ASU 2016-13**	
ASU 2022-02 – Targeted amendments specific to troubled debt restructurings (TDRs) by creditors and vintage disclosure related to gross write-offs. An entity is required to apply the loan and refinancing and restructuring guidance to determine whether a modification results in a new loan or a continuation of an existing loan, rather than applying the recognition and measurement guidance for TDRs. Requires public business entities to disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within scope of Subtopic 326-20.	**For ASU 2022-02, March 31, 2023, for entities that have adopted ASU 2016-13; otherwise effective dates the same as ASU 2016-13**	

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06) Clarifies the accounting for certain financial instruments with characteristics of liabilities and equity. The amendments reduce number of accounting models for convertible debt instruments and convertible preferred stock. The cash conversion and beneficial conversion feature models were removed. Limiting the accounting models will result in fewer embedded conversion features being separately recognized from the host contract. Improves disclosure requirements for convertible instruments and earnings-per-share guidance. Revises derivatives scope exception guidance to reduce form-over- substance-based accounting conclusions driven by remote contingent events.	**For SEC filers, excluding smaller reporting companies, March 31, 2022** **For all other PBEs, including smaller reporting companies, March 31, 2024**	**Permitted as of the fiscal years beginning after Dec. 15, 2020.** **An entity must adopt the guidance as of the beginning of the fiscal year and not in a subsequent interim.**
Long-Duration Insurance Contracts (ASU 2018-12) Revises the accounting for life insurance and annuity contracts by eliminating the method of locking in liability assumptions and the premium deficiency test for traditional and limited-payment contracts, among other methodology changes. Requires additional disclosure. Clarifying standards: **ASU 2019-09** – Deferral of effective dates. **ASU 2020-11** – Deferral of effective dates.	**For SEC filers, excluding smaller reporting companies, March 31, 2023** **For all other PBEs, including smaller reporting companies, Dec. 31, 2025**	**Permitted**
Issuer's Accounting for Modifications or Exchanges of Freestanding Written Call Options That Are Classified in Equity (ASU 2021-04) Clarifies the guidance for a modification or an exchange of a freestanding equity-classified written call option (for example, warrants). The amendments provide that an entity should treat such modification or exchange as an exchange of the original instrument for a new instrument. The amendments provide guidance on how an entity should measure and recognize the effect of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange. The amendments do not affect a holder's accounting for freestanding call options.	**March 31, 2022**	**Permitted, including in an interim period**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Disclosures by Business Entities About Government Assistance (ASU 2021-10) Requires annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy to other accounting guidance such as a grant model within Subtopic 958-605, "Not-for-Profit Entities – Revenue Recognition," or International Accounting Standards 20, "Accounting for Government Grants and Disclosure of Government Assistance."	**March 31, 2022**	**Permitted**
Customer Contracts Acquired in a Business Combination (ASU 2021-08) Requires an acquirer to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 on revenue from contracts with customers. The amendments apply to contract assets or contract liabilities in contracts with customers and other contracts to which the provisions of Topic 606 apply. The amendments also provide certain practical expedients for acquirers when recognizing and measuring acquired contract assets and contract liabilities from revenue contracts in a business combination.	**March 31, 2023**	**Permitted, including in an interim period**
Portfolio Layer Method of Hedge Accounting (ASU 2022-01) Expands the scope of assets eligible for portfolio layer method hedging to include all financial assets. The amendments remove the requirement that all assets in the closed portfolio have a contractual maturity date on or after the earliest-ending hedge period. The amendments require an entity to maintain fair value hedge basis adjustments at the closed portfolio level for a currently designated hedge and prohibit an entity from considering portfolio layer method fair value hedge basis adjustments on a currently designated hedge in its determination of credit losses. When a breach occurs (that is, the aggregate amount of the hedged layers currently exceeds the amount of the closed portfolio), an entity is required to present the fair value hedge basis adjustments with a breach in interest income and disclose the amount along with the circumstances that led to the breach.	**March 31, 2023**	**Permitted, including in an interim period when amendments in ASU 2017-12 have been adopted**

Checklist B

ASU effective dates for nonpublic business entities (non-PBEs)

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Premium Amortization on Purchased Callable Debt (ASU 2017-08) Shortens the amortization period for premiums on purchased callable debt securities to the earliest call date, instead of to the maturity date. Clarifying standards: **ASU 2020-08** – Clarifies that an entity should reevaluate whether a callable debt security that has multiple call dates is within the scope of paragraph 310-20-35-33 for each reporting period.	**Dec. 31, 2020** **For ASU 2020-08, Dec. 31, 2022**	**Permitted, including in an interim period** **For ASU 2020-08, permitted only as of annual periods beginning after Dec. 15, 2020, including interim periods within**
Simplifying Accounting for Income Taxes (ASU 2019-12) Simplifies the accounting for income taxes by removing certain exceptions in Topic 740. Improves consistent application of other areas of guidance within Topic 740 by clarifying and amending existing guidance.	**Dec. 31, 2022**	**Permitted, including in an interim period**
Interaction Between Accounting for Equity Securities, Equity Method Investments, and Certain Derivative Instruments (ASU 2020-01) Clarifies the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contract and purchased options accounted for under Topic 815.	**Dec. 31, 2022**	**Permitted, including in an interim period**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Leases **(ASU 2016-02)** Revises recognition and measurement for lease contracts by lessors and lessees; operating leases are recorded on the balance sheet for lessees. Replaces Topic 840 with Topic 842. Clarifying standards: **ASU 2018-01** – Provides a practical expedient in transition to not evaluate existing or expired land easements under Topic 842 that were not previously accounted for as leases under Topic 840. **ASU 2018-10** – Provides 16 improvements and clarifications to the guidance in Topic 842. **ASU 2018-11** – Provides an optional transition method for adopting Topic 842 that will eliminate comparative period reporting under the new guidance in the adoption year. Provides a practical expedient for lessors to not separate nonlease components from the associated lease component in specified circumstances. **ASU 2018-20** – Provides improvements specific to lessors for evaluating sales taxes, recording reimbursed costs, and allocating variable payments to lease and nonlease components. **ASU 2019-01** – Provides improvements in determining fair value of underlying assets by lessors that are not manufacturers or dealers, presentation of the statement of cash flows for sales-type and direct financing leases, and transition disclosures. **ASU 2019-10** – Deferral of effective dates **ASU 2020-05** – Deferral of effective dates. **ASU 2021-05** – Provides that lesssors should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if certain criteria are met. **ASU 2021-09** – Allows risk-free rate election by class of underlying asset, rather than at the entitywide level. When the rate implicit in the lease is readily determinable, the lessee must use that rate regardless of whether it has made the risk-free rate election.	**Dec. 31, 2022**	**Permitted**
Contributed Nonfinancial Assets of Not-for-Profit Entities **(ASU 2020-07)** Improves financial reporting for not-for-profit entities by providing specific presentation and disclosure requirements for contributed nonfinancial assets other than contributed services.	**Dec. 31, 2022**	**Permitted for interim or annual goodwill impairment tests performed on testing dates on or after Jan. 1, 2017**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Various Codification Improvements (ASU 2020-10) Amendments improve codification by having all disclosure-related guidance available in the disclosure sections of the codification. Prior to this ASU, various disclosure requirements or options to present information on the face of the financial statements or as a note to the financial statements were not included in the appropriate disclosure sections of the codification. Contains various other minor amendments to codification that are not expected to have a significant effect on current accounting practice.	**Dec. 31, 2022**	**Permitted**
Issuer's Accounting for Modifications or Exchanges of Freestanding Written Call Options That Are Classified in Equity (ASU 2021-04) Clarifies the guidance for a modification or an exchange of a freestanding equity-classified written call option (for example, warrants). The amendments provide that an entity should treat such modification or exchange as an exchange of the original instrument for a new instrument. The amendments provide guidance on how an entity should measure and recognize the effect of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange. The amendments do not affect a holder's accounting for freestanding call options.	**Dec. 31, 2022**	**Permitted, including in an interim period**
Practical Expedient in Measuring Current Price Input of Equity-Classified Share-Based Awards (ASU 2021-07) Allows a nonpublic entity to determine the current price of a share underlying an equity-classified share-based award using the reasonable application of a reasonable valuation method. The amendments provide characteristics of the reasonable application of a reasonable valuation method. A reasonable valuation performed in accordance with Treasury regulations is an example of a way to achieve the practical expedient.	**Dec. 31, 2022**	**Permitted for financial statements that have not been issued or made available for issuance as of Oct. 25, 2021**
Disclosures by Business Entities About Government Assistance (ASU 2021-10) Requires annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy to other accounting guidance such as a grant model within Subtopic 958-605, "Not-for-Profit Entities – Revenue Recognition," or International Accounting Standards 20, "Accounting for Government Grants and Disclosure of Government Assistance."	**Dec. 31, 2022**	**Permitted**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Goodwill Impairment Testing (ASU 2017-04) Removes step two – the requirement to perform a hypothetical purchase price allocation when the carrying value of a reporting unit exceeds its fair value – of the goodwill impairment test. Clarifying standards: **ASU 2019-10** – Deferral of effective dates.	**Tests performed on or after Jan. 1, 2023**	**Permitted for interim or annual goodwill impairment tests performed on testing dates on or after Jan. 1, 2017**
Credit Losses (ASU 2016-13) Replaces the incurred loss model with the CECL model for financial assets, including trade receivables, debt securities, and loan receivables. Clarifying standards: **ASU 2018-19** – Clarifies the effective date for non-PBEs and that impairment of operating lease receivables is in the scope of ASC Topic 842, "Leases," and not the CECL model. **ASU 2019-04** – Provides specific improvements and clarifications to the guidance in Topic 326. Addresses accrued interest, transfers between classifications or categories for loans and debt securities, recoveries, vintage disclosures, and contractual extensions and renewal options. **ASU 2019-05** – Targeted transition relief provides an option to irrevocably elect the fair value option, on an instrument-by-instrument basis, for certain financial assets (excluding held-to-maturity debt securities) previously measured at amortized cost. **ASU 2019-10** – Deferral of effective dates. **ASU 2019-11** – Provides specific improvements and clarifications to the guidance in Topic 326. Addresses expected recoveries for purchased financial assets with credit deterioration, transition relief for troubled debt restructurings, disclosures related to accrued interest receivables, financial assets secured by collateral maintenance provisions, and conforming cross-references to Subtopic 805-20. **ASU 2020-03** – Aligns contractual term to measure expected credit losses for a net investment in a lease to be consistent with the lease term determined under Topic 842. Clarifies that when an entity regains control of financial assets sold, an allowance for credit losses should be recorded. **ASU 2022-02** – Targeted amendments specific to troubled debt restructurings (TDRs) by creditors and vintage disclosure related to gross write-offs. An entity is required to apply the loan and refinancing and restructuring guidance to determine whether a modification results in a new loan or a continuation of an existing loan, rather than applying the recognition and measurement guidance for TDRs.	**Dec. 31, 2023** **For ASU 2019-04, ASU 2019-05, ASU 2019-11, and ASU 2020-03, March 31, 2020, for entities that have adopted ASU 2016-13; otherwise, effective dates the same as ASU 2016-13**	**Permitted as of the fiscal years beginning after Dec. 15, 2018, including interim periods within**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06) Clarifies the accounting for certain financial instruments with characteristics of liabilities and equity. The amendments reduce number of accounting models for convertible debt instruments and convertible preferred stock. The cash conversion and beneficial conversion feature models were removed. Limiting the accounting models will result in fewer embedded conversion features being separately recognized from the host contract. Improves disclosure requirements for convertible instruments and earnings-per-share guidance. Revises derivatives scope exception guidance to reduce form-over-substance-based accounting conclusions driven by remote contingent events.	**Dec. 31, 2024**	**Permitted as of the fiscal years beginning after Dec. 15, 2020, including interim periods within**
Customer Contracts Acquired in a Business Combination (ASU 2021-08) Requires an acquirer to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606 on revenue from contracts with customers. The amendments apply to contract assets or contract liabilities in contracts with customers and other contracts to which the provisions of Topic 606 apply. The amendments also provide certain practical expedients for acquirers when recognizing and measuring acquired contract assets and contract liabilities from revenue contracts in a business combination.	**Dec. 31, 2024**	**Permitted, including in an interim period**
Portfolio Layer Method of Hedge Accounting (ASU 2022-01) Expands the scope of assets eligible for portfolio layer method hedging to include all financial assets. The amendments remove the requirement that all assets in the closed portfolio have a contractual maturity date on or after the earliest-ending hedge period. The amendments require an entity to maintain fair value hedge basis adjustments at the closed portfolio level for a currently designated hedge and prohibit an entity from considering portfolio layer method fair value hedge basis adjustments on a currently designated hedge in its determination of credit losses. When a breach occurs (that is, the aggregate amount of the hedged layers currently exceeds the amount of the closed portfolio), an entity is required to present the fair value hedge basis adjustments with a breach in interest income and disclose the amount along with the circumstances that led to the breach.	**Dec. 31, 2024**	**Permitted, including in an interim period when amendments in ASU 2017-12 have been adopted**
Long-Duration Insurance Contracts (ASU 2018-12) Revises the accounting for life insurance and annuity contracts by eliminating the method of locking in liability assumptions and the premium deficiency test for traditional and limited-payment contracts, among other methodology changes. Requires additional disclosure. Clarifying standards: **ASU 2019-09** – Deferral of effective dates. **ASU 2020-11** – Deferral of effective dates.	**Dec. 31, 2025**	**Permitted**

Governmental Accounting Standards Board (GASB) statement effective dates

Checklist C

Effective dates for all GASB statements

GASB statement	Effective dates – reporting periods beginning after	Early adoption
Postponement of the Effective Dates of Certain Authoritative Guidance (GASB Statement 95) Postpones the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.	**Upon issuance, May 8, 2020**	**Not applicable**
Replacement of Interbank Offered Rates (GASB Statement 93) Addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notably the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments tied to LIBOR.	**June 15, 2020, except:** **Paragraph 11b, periods ending after Dec. 15, 2021** **Paragraphs 13 & 14, June 15, 2021**	**Permitted**
Accounting for Interest Cost Incurred Before the End of a Construction Period (GASB Statement 89) Supersedes guidance set forth in Statement 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," which generally required capitalization of interest cost incurred before the end of a construction period. Statement 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus and not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.	**Dec. 15, 2020**	**Permitted**
The Annual Comprehensive Financial Report (GASB Statement 98) Establishes the term "annual comprehensive financial report" and its acronym ACFR, which replace instances of "comprehensive annual financial report" and its acronym in generally accepted accounting principles for state and local governments.	**Dec. 15, 2020**	**Permitted**

GASB statement	Effective dates – reporting periods beginning after	Early adoption
Leases **(GASB Statement 87)** Revises recognition and measurement for lease contracts by lessors and lessees by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. Establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.	**June. 15, 2021**	**Permitted**
Omnibus 2020 **(GASB Statement 92)** Addresses a variety of topics including the effective date of Statement 87 and Implementation Guide No. 2019-3 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements 73 and 74 to reporting assets accumulated for postemployment benefits (PEBs); the applicability of certain requirements of Statement 84 to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments.	**Varies by issue (see pages 5 and 6 of the statement and page 2 of statement 95)** **Upon issuance, Feb. 5, 2020** **June 15, 2021**	**Permitted by topic**
Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans **(GASB Statement 97)** Clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and modifies the applicability of certain component unit criteria as they relate to defined contribution pension and OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). Establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans.	**Varies by issue (see pages 4 and 5 of the statement)** **Upon issuance, June 23, 2020** **June 15, 2021**	**Permitted by topic**

GASB statement	Effective dates – reporting periods beginning after	Early adoption
Conduit Debt Obligations (GASB Statement 91) Clarifies the definition of a conduit obligation and stipulates that a conduit debt obligation is a liability of the third-party obligor, not the issuer, thus eliminating the option for government issuers to recognize a conduit debt obligation as a liability. Establishes standards for accounting and financial reporting of additional commitments extended by issuers and arrangements associated with conduit debt obligations and improves required note disclosures.	**Dec. 15, 2021**	**Permitted**
Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB Statement 94) Provides guidance for public-private and public-public partnership arrangements (PPPs), including those that are outside of the scope of the GASB's existing guidance for those transactions – namely Statement 60, "Accounting and Financial Reporting for Service Concession Arrangements," and Statement 87, "Leases." The statement also makes certain improvements to the guidance previously included in Statement 60 and provides accounting and financial reporting guidance for availability payment arrangements (APAs).	**June 15, 2022**	**Permitted**
Subscription-Based Information Technology Arrangements (GASB Statement 96) Provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. Defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.	**June 15, 2022**	**Permitted**

Learn more

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