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April 2023

Keeping you informed

First quarter accounting and financial reporting developments

Contents

Message from Sydney Garmong

Partner, National Office

Dear readers,

Market events over the past month underscore that the ever-changing financial environment continues to pose unique challenges and risks. We continue to monitor the landscape.

The FASB remains focused on its Technical Agenda and is making progress toward proposed standard-setting in areas most important to investors:

- Income tax disclosures – proposal issued March 15, 2023
- Crypto assets – proposal issued March 23, 2023
- Credit losses – acquired financial assets – proposal expected in Q2
- Disaggregation – income statement expenses – proposal expected in Q2

The FASB issued two important final standards this quarter, and both may be early adopted. One is for private companies and provides accounting relief for related-party leases. The other, one of my favorites, expands the use of the proportional amortization method to more investments in income tax credit programs.

Of the more than 50 rules listed on the SEC's Regulatory Flexibility Agenda – commonly referred to as Reg Flex – these seem to garner the most interest, and we are watching:

Proposed rule stage:

- Human capital
- Securities held of record
- Cybersecurity
- Corporate board diversity

Final rule stage:

- Climate change disclosure
- Cybersecurity risk governance
- Share repurchase disclosure modernization
- Special purpose acquisition companies

Of course, these are estimates and subject to change.

I am grateful to my Crowe colleagues Tony Boras, Alissa Doherty, Jason Eaves, and Mark Shannon 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 2023 calendar year, the Financial Accounting Standards Board (FASB) issued two new Accounting Standards Updates: one addressing related-party lease accounting and one on the proportional amortization method for investments in tax credit structures. The FASB also issued two new proposals: one on improvements to income tax disclosures and one on accounting for crypto assets at fair value. The FASB also approved amendments to accounting for common control leasing arrangements, finalized its decisions on a forthcoming proposal relating to accounting for crypto assets, and ratified the Emerging Issues Task Force final consensus to expand the use of the proportional amortization method of accounting to more income tax credit programs.

The Securities and Exchange Commission (SEC) remarked on capital formation; accounting standard-setting; environmental, social, and governance investing; digital assets; and the small-business safe harbor. The Investor Advisory Committee and the Small Business Capital Formation Advisory Committee both held meetings. The SEC issued guidance for small-entity compliance on insider trading, new compensation rules, and non-GAAP financial measures. It adopted amendments to the Form 144 filing deadline, made changes to the securities settlement cycle, and released updates to the Financial Reporting Manual. The SEC proposed requirements to address cybersecurity risks, an enhanced safeguarding rule for registered investment advisers, and a conflict of interest securitization rule. The SEC also reopened the comment period for cybersecurity risk management rules for investment advisers and funds. The SEC released its fall 2022 regulatory agenda and announced its 2023 risk-based examination priorities. The SEC also named a new chief accountant, director of corporation finance, and deputy director of disclosure operations.

The Public Company Accounting Oversight Board (PCAOB) proposed a new auditing standard on the auditor's use of confirmation.

The Center for Audit Quality issued publications describing the role of the auditor in climate-related information and providing information on the updated SEC guidance on non-GAAP financial measures.

In addition to these highlights from the quarter, we have included recent developments 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

Related-party lease accounting

On March 27, 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-01, "Leases (Topic 842) – Common Control Arrangements," to improve accounting guidance for common control leasing arrangements.

The amendments allow a private company to elect to account for a common control leasing arrangement using the written terms and conditions without having to determine if those terms and conditions are legally enforceable. If the terms of the arrangement are not in writing, then the entity would apply existing guidance to determine the legally enforceable terms and conditions of the arrangement.

Additionally, the amendments require leasehold improvements associated with leases between entities under common control to be amortized over the useful life of the improvements until the lessee ceases to control the use of the underlying asset through a lease, at which time the remaining value of the leasehold improvement would be accounted for as a transfer between entities under common control.

Effective date

The ASU is effective for all entities for fiscal years beginning after Dec. 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. More details on the amendments can be found in the Crowe article "FASB Amends Related-Party Lease Accounting."

Proportional amortization method

On March 29, 2023, the FASB issued ASU 2023-02, "Investments – Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (a Consensus of the Emerging Issues Task Force)," to expand use of the proportional amortization method of accounting to equity investments in tax credit programs beyond those in low-income-housing tax credit (LIHTC) programs. The ASU allows entities to elect the proportional amortization method, on a tax-credit-program-by-tax-credit-program basis, for all equity investments in tax credit programs meeting the eligibility criteria in Accounting Standards Codification (ASC) 323-740-25-1.

The ASU provides clarifications to address existing interpretive issues and prescribes specific information that reporting entities must disclose about tax credit investments each period.

Effective dates

The ASU is effective for reporting periods beginning after Dec. 15, 2023, for public business entities. For all other entities, the ASU is effective for fiscal years beginning after Dec. 15, 2024. Early adoption is permitted, including early adoption in any interim period as of the beginning of the fiscal year that includes that interim period.

Entities will have the option of applying the forthcoming revisions using either a modified retrospective or retrospective adoption approach.

For more detail, please read the Crowe article "FASB ASU Improves Income Tax Credit Investment Accounting."

Proposals

Improvements to income tax disclosures

On March 15, 2023, the FASB issued a proposed ASU, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," to provide additional transparency into an entity's jurisdictional tax exposure by requiring enhanced disclosures primarily related to the rate reconciliation and income taxes paid information.

Rate reconciliation

The proposed ASU would require that public business entities disclose on an annual basis 1) specific categories in the rate reconciliation and 2) additional information for reconciling items meeting a certain quantitative threshold. On an interim basis, public business entities would be required to provide a description of any reconciling items that result in significant changes in the estimated annual effective tax rate as compared to the annual effective tax rate of the prior annual reporting period. The proposed ASU would require that entities other than public business entities disclose qualitative information about specific categories of items and individual jurisdictions that result in a significant difference between the statutory tax rate and the effective tax rate.

Income taxes paid

The proposed ASU would require that all entities disclose 1) the year-to-date income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes on an interim and annual basis and 2) the income taxes paid (net of refunds received) disaggregated by individual jurisdictions exceeding 5% of total taxes paid (net of refunds received), on an annual basis.

Other matters

The proposed ASU also would require that all entities disclose 1) income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign and 2) income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign.

The proposal does not yet include an effective date and would be applied retrospectively. More details can be found in the Crowe article "FASB Proposes Targeted Income Tax Disclosure Requirement Changes."

Comments on the proposed ASU are due May 30, 2023.

Crypto assets

On March 23, 2023, the FASB issued a proposed ASU, "Intangibles – Goodwill and Other – Crypto Assets (Subtopic 350-60): Accounting for and Disclosures of Crypto Assets," that would require entities to account for holdings of certain crypto assets at fair value.

Under the proposal, holdings of crypto assets would be measured at fair value at each reporting date with changes in fair value recorded through earnings. Also, the proposal would require entities to provide extensive disclosure about crypto assets measured at fair value, including an annual rollforward of an entity's crypto asset holdings. Entities would adopt using a modified retrospective approach, recording a cumulative effect adjustment to equity (or net assets) as of the beginning of the year of adoption. Early adoption would be permitted. The board directed the staff to draft a proposed ASU for vote by written ballot. More details can be found in the Crowe article "FASB Proposes Fair Value for Crypto Assets."

Comments on the proposed ASU are due June 6, 2023.

From the SEC

Public statements and announcements

Commissioner remarks on capital formation

SEC Commissioner Mark Uyeda delivered remarks in two separate forums regarding capital formation. In his March 3, 2023, remarks at the "Going Public in the 2020s" conference, Uyeda discussed the declining trend of entities accessing the public capital markets and suggested mechanisms to foster a more hospitable environment for a public company while maintaining investor protection. On March 7, Uyeda delivered remarks before the Institute of International Bankers, where he discussed key components of efficient capital formation and provided perspectives on how international securities activity can be facilitated across regulatory jurisdictions.

Investor Advisory Committee meeting

The SEC's Investor Advisory Committee held a virtual public meeting on March 2, 2023. The panel discussions held during the meeting addressed the following topics:

- **Growth of private markets relative to the public markets: Drivers and implications.** This panel discussed the factors contributing to the growth of private markets, implications of this growth on decisions made by operating companies and investors, and if there should be modifications to the existing disclosure and regulatory framework.
- **Oversight of investment advisers: Can regulators keep up with growth in the industry.** This panel discussed how regulators are managing oversight of the registered investment adviser industry through their examination programs as well as potential approaches to enhancing oversight and bolstering the examination programs.
- **The open-end fund liquidity risk management and swing pricing rule proposal.** This panel discussed the potential use of swing pricing in the U.S. market and focused on possible impacts of the SEC's November 2022 proposed enhancements to the open-end fund liquidity framework and potential impacts from implementation of a "hard close" on mutual fund orders.

SEC Chair Gary Gensler provided prepared remarks, and commissioners Hester Peirce and Jaime Lizárraga spoke.

Observations on accounting standard-setting

On Feb. 14, 2023, SEC Chief Accountant Paul Munter released current observations on the state of accounting standard-setting in today's ever-evolving business environment. The release focuses on key considerations for meeting investor information needs in a timely manner.

Commissioner remarks on ESG investing

Commissioner Uyeda on Jan. 27, 2023, spoke before the California '40 Acts Group. His speech focused on issues related to asset managers' use of environmental, social, and governance (ESG) investment strategies. He said that "ESG investing has taken the asset management industry by storm." Uyeda noted that describing products as ESG is good for business, but it is difficult to determine exactly what ESG means. It is challenging to identify when an ESG investment strategy is properly labeled as such.

Uyeda said the regulatory issues presented by ESG investing are nothing new, but ESG investing is complicated by three factors that make it difficult to establish ESG-specific frameworks:

- "[T]he inability to objectively define 'ESG' or any of its components"
- "[T]he temptation to place the regulators' fingers on the scale in favor of specific ESG goals or objectives"
- "[T]he desire of certain asset managers to use client assets to pursue ESG-related goals without obtaining a mandate from clients"

In recognition that ESG is difficult to define, the SEC's own proposed rule for ESG investment advisers and investment companies recognizes a "variety of perspectives concerning what ESG investing means, the issues or objectives it encompasses, and the ways to implement an ESG strategy." Further, Uyeda said that ESG measures often are used to advance social or political causes, and the goal of ESG investing is something other than financial performance. He shared that there is not consistency among ESG rating agencies, which calls into question how investment advisers are using ESG ratings to make decisions. He warned that the lack of a universal ESG definition creates the potential for abuses that can steer assets to particular companies based on social or political agendas.

Uyeda concluded with a caution that "ESG" can have different meanings, so to comply with federal securities laws, asset managers should describe precisely what they mean when they use the term to describe an ESG fund or product. He said the existing regulatory framework is well suited to guide the conduct of investment advisers, but "[a]ny emerging regulations should be careful not to tip the scale in favor of any particular political or social cause, and adherence to the established framework of focusing on financial materiality will continue to serve investors well."

Commissioner remarks on digital assets

On Jan. 20, 2023, Commissioner Peirce spoke before the "Digital Assets at Duke" conference. Peirce said that crypto assets' value proposition depends primarily on the builders of the technology and not on regulators. She offered some lessons for the crypto asset industry:

- Do not wait for regulators to fix the problems that became evident in 2022. Root out harmful practices and encourage good behavior. Regulatory solutions, which often are inflexible, should be a last resort.
- Digital assets need to trade; therefore, centralized venues or decentralized exchange protocols are necessary. But trading markets are not the end point. Technologies like cryptography, blockchain, and zero-knowledge proofs offer new solutions.
- Each crypto asset, blockchain, and project needs to be assessed on its own merits.
- Problems in protocol design or at a centralized infrastructure provider can have far-reaching and disastrous consequences. Testing protocols and carefully analyzing the incentives can prevent problems.
- As long as a company is actively involved in crypto assets, investors should take the same precautions as they would when dealing with any other company.
- Risks, counterparties, counterparties' counterparties, collateral, leverage, conflicts of interest, motives for buying, risk controls, and concentration matter.

Peirce also advised that one of the most important things in the crypto asset industry is to listen to the critics inside and outside the industry. Peirce said that the SEC wants to regulate crypto assets but needs to conduct better, more precise, and more transparent legal analyses to develop a coherent and consistent legal framework that works across all asset classes. She noted that the SEC's approach of regulation by enforcement actions is the opposite of a rational regulatory framework. However, a notice-and-comment process allows broad public and internal participation in developing a sound and reasonable regulatory system. Peirce described five guiding principles that should be considered in developing such a regulatory framework:

- Take a nuanced approach that recognizes differences across blockchains and applications built on top of them, and differences among crypto assets.
- Carefully decide what areas of crypto assets to regulate on a federal level, along with when and how to do so.
- Be clear that government regulation is not the same as government endorsement.
- Understand that scaring traditional entities away from crypto is not realistic and does not protect investors.
- Preserve decentralization.

Small-business capital matters

On Feb. 7, 2023, the SEC Small Business Capital Formation Advisory Committee held a meeting to discuss challenges and opportunities for small businesses raising capital in 2023, alternatives to traditional financing for smaller private companies, the SEC's proposal on private fund reforms, and the role of equity research for smaller public companies.

On Jan. 20, 2023, the SEC announced that it is seeking nominees for appointment to the Small Business Capital Formation Advisory Committee. The members of the committee provide advice and recommendations on SEC rules, regulations, and policy matters relating to small businesses, including smaller public companies.

At the 50th Annual Securities Regulation Institute on Jan. 30, 2023, SEC Commissioner Caroline Crenshaw presented the keynote address on issues with the small-business safe harbor. She discussed the origins and current state of Rule 506 of Regulation D, which is the primary exemption that large private issuers rely on to raise "essentially unlimited capital from an unlimited number of accredited investors." Crenshaw next noted some of the consequences of allowing limitless capital to flow into the private markets. Finally, she suggested two potential reforms:

- Revise Form D to provide essential information to all private investors, to the public markets, and to the regulators.
- Impose increased obligations on large private issuers and large capital raises.

Crenshaw said that increasing obligations on large private issuers and large capital raises is a tailored solution that helps the SEC fulfill its mandates as it both acknowledges Regulation D's purpose in allowing reprieve to smaller businesses and also helps eliminate the benefits and effective subsidies being given to large private issuers at the expense of small businesses. Additionally, such reform would provide better disclosures to investors. She said that the proposed reforms to Regulation D are incremental but essential to ensure that the private markets operate as originally intended.

Chair remarks at FSOC meeting

At the Dec. 16, 2022, Financial Stability Oversight Council (FSOC) meeting, Chair Gensler delivered remarks addressing London Interbank Offered Rate (LIBOR) transition and the FSOC annual report.

Rules and guidance

Small-entity compliance guide on insider trading

The SEC on Feb. 24, 2023, released a small-entity compliance guide on insider trading arrangements and related disclosures to address the Dec. 14, 2022, adopted amendments to Rule 10b5-1 under the *Securities Exchange Act of 1934*. The amendments update conditions of the affirmative defense to insider trading liability in Rule 10b5-1, place certain restrictions on Rule 10b5-1 plans, and require new disclosures. More details are in the Crowe article "New SEC Insider Trading Rule: What Registrants Should Know."

EDGAR filing deadline for Form 144

On Feb. 21, 2023, the SEC adopted an amendment to Regulation S-T to extend the filing deadline for Form 144 from 5:30 p.m. to 10 p.m., Eastern Standard Time or Eastern Daylight Saving Time, whichever is currently in effect, on SEC business days. Additionally, the SEC adopted technical amendments designed to enhance the consistency of recently revised provisions related to the filing format of Form 144.

The amendments were effective March 20, 2023.

Securities settlement cycle

Rule changes designed to benefit investors and reduce the credit, market, and liquidity risks in securities transactions faced by market participants were adopted by the SEC on Feb. 15, 2023. They shorten the standard settlement cycle for most broker-dealer transactions in securities from two business days after the trade date (T+2) to one (T+1) and shorten the separate standard settlement cycle for firm commitment offerings prices after 4:30 p.m. from four business days after the trade date to two business days.

The rules also improve the processing of institutional trades by requiring broker-dealers to either enter into written agreements or establish, maintain, and enforce written policies and procedures reasonably designed to ensure the completion of allocations, confirmations, and affirmations as soon as technologically practicable and no later than the end of trade date.

Lastly, the rules add a new requirement to facilitate straight-through processing, which applies to clearing agencies that are central matching service providers. The rules require these providers to establish, implement, maintain, and enforce new policies and procedures reasonably designed to facilitate straight-through processing and require submission of an annual report to the SEC.

The final rules will be effective May 5, 2023. The compliance date for the final rules is May 28, 2024.

Interpretations on new compensation rules

The SEC updated its Regulation S-K Compliance and Disclosure Interpretations (C&DIs) on Feb. 10, 2023, to include a series of implementation questions on the new pay-versus-performance disclosure rules.

On Jan. 27, 2023, the SEC updated its C&DIs on *Exchange Act* rules and forms related to the recently finalized erroneously awarded compensation rules.

Glossy annual report EDGAR submissions

On Jan. 11, 2023, the SEC updated its Proxy Rules and Schedule 14A C&DIs to withdraw the requirement to submit "glossy" annual reports to shareholders electronically on EDGAR.

Corp Fin Financial Reporting Manual

In January 2023, the SEC's Division of Corporation Finance (Corp Fin) staff released updates to its Financial Reporting Manual, which provides nonauthoritative guidance based on staff interpretations. Among other changes, the following updates identified with the tag "Last updated: 12/31/2022" are included:

- Revisions for amendments to Rules 3-10 and 3-16 of Regulation S-X in SEC Release No. 33-10763, "Financial Disclosures About Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralize a Registrant's Securities"
- Removal of outdated information including information related to the adoption of ASC 606

C&DIs on non-GAAP financial measures

On Dec. 13, 2022, the SEC updated C&DIs questions 100.01, 100.04, 100.05, 100.06, and 102.10(a)(b)(c) related to the use of non-GAAP financial measures. The updates provide clarifications, not new information. These are the updated questions:

- "Can certain adjustments, although not explicitly prohibited, result in a non-GAAP measure that is misleading?"
- "Can a non-GAAP measure violate Rule 100(b) of Regulation G if the recognition and measurement principles used to calculate the measure are inconsistent with GAAP?"
- "Can a non-GAAP measure be misleading if it, and/or any adjustment made to the GAAP measure, is not appropriately labeled and clearly described?"

- “Can a non-GAAP measure be misleading, and violate Rule 100(b) of Regulation G, even if it is accompanied by disclosure about the nature and effect of each adjustment made to the most directly comparable GAAP measure?”
- “Item 10(e)(1)(i)(A) of Regulation S-K requires that when a registrant presents a non-GAAP measure it must present the most directly comparable GAAP measure with equal or greater prominence. This requirement applies to non-GAAP measures presented in documents filed with the Commission and also earnings releases furnished under Item 2.02 of Form 8-K. Are there examples of disclosures that would cause a non-GAAP measure to be more prominent?”
- “Are there examples of disclosures that would cause the non-GAAP reconciliation required by Item 10(e)(1)(i)(B) of Regulation S-K to give undue prominence to a non-GAAP measure?”
- “The staff considers the presentation of a non-GAAP income statement, alone or as part of the required non-GAAP reconciliation, as giving undue prominence to non-GAAP measures. What is considered to be a non-GAAP income statement?”

Proposals

Proposed requirements to address cybersecurity risks

The SEC on March 15, 2023, released for public comment proposed requirements for broker-dealers, clearing agencies, major security-based swap participants, the Municipal Securities Rulemaking Board, national securities associations, national securities exchanges, security-based swap data repositories, security-based swap dealers, and transfer agents (collectively, “market entities”) to address their cybersecurity risks.

The proposal would require these entities to implement policies and procedures that are reasonably designed to address their cybersecurity risks and, at least annually, review and assess the design and effectiveness of their cybersecurity policies and procedures, including whether they reflect changes in cybersecurity risk over the review time period. New notification requirements are included in the proposal that are designed to improve the SEC’s ability to obtain information about significant cybersecurity incidents affecting these entities. Additionally, the proposal includes disclosure requirements to improve transparency about the cybersecurity risks that can cause adverse impacts to the U.S. securities markets.

Comments are due June 5, 2023.

Proposed enhanced safeguarding rule for registered investment advisers

On Feb. 15, 2023, the SEC proposed for public comment rule changes to enhance protections of customer assets managed by registered investment advisers. If adopted, the changes would amend and redesignate Rule 206(4)-2, the SEC's custody rule, under the *Investment Advisers Act of 1940*.

The proposed amendments would:

- Expand the current custody rule to include a wider array of client assets and advisory activities in the rule's protections
- Enhance the custodial protections that client assets receive under the rule
- Update certain recordkeeping and reporting requirements for advisers

Although the proposal retains the current requirement for an adviser with custody of client assets to undergo a surprise examination from an independent public accountant to verify those assets, the proposal would modify the audit provision to expand the availability of its use to satisfy the requirement, enhance investor protection, and facilitate compliance.

Comments are due May 8, 2023.

Proposed conflict of interest securitizations rule

On Jan. 25, 2023, the SEC proposed a rule prohibiting conflicts of interest in certain securitization transactions. The proposed rule:

- Prohibits, generally from the date the participation begins until one year after the sale of the asset-backed security (ABS), a securitization participant (underwriters, placement agents, initial purchasers, or sponsors) from engaging in any transaction that would result in a conflict of interest with an investor in the ABS
- Identifies prohibited participant transactions, when material to an investor's ABS investment decision, as:
  - ABS short sales
  - Purchase of certain credit derivatives or other financial instruments that protect against certain ABS-adverse events
- Provides certain exceptions to the prohibited transactions including risk-mitigating hedging activities, bona fide market-making activities, and liquidity commitments
- Requires certain compliance activities if the participant relies on exceptions

Comments were due March 27, 2023.

Reopened comment period for cybersecurity risk management rules for investment advisers and funds

To provide additional time to analyze the issues in light of other regulatory developments, on March 15, 2023, the SEC reopened the comment period on the cybersecurity risk management for investment advisers and funds proposal, which was first issued on Feb. 9, 2022. Under the proposal, 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 recordkeeping policies.

Comments are due May 22, 2023.

Regulatory agenda

On Jan. 4, 2023, the Office of Information and Regulatory Affairs released the SEC's fall 2022 regulatory agenda, which lists 23 proposed rules and 29 rules in the final stage. They address the SEC's three-part mission of protecting investors; maintaining fair, orderly, and efficient markets; and facilitating capital formation. This agenda provides estimates on timing and identifies April 2023 as the next date for action on climate change disclosure and cybersecurity, although this date is tentative and subject to change.

Examination priorities

On Feb. 7, 2023, the SEC's Division of Examinations announced its 2023 risk-based examination priorities. Annually, the division publishes examination priorities to provide transparency into its approach, including areas in a changing landscape that might present risks to investors and U.S. capital market integrity.

The 2023 examination priorities include:

- Compliance with new rules:
  - Investment adviser marketing
  - Investment company derivatives and fair valuation
- Private funds
- Retail investor protections
- ESG investing
- Information security and operational resiliency
- Emerging technologies and crypto assets
- LIBOR transition

Leadership updates

Deputy director of disclosure operations

On Feb. 14, 2023, the SEC announced that Cicely LaMothe was named deputy director of disclosure operations of the Division of Corporation Finance (Corp Fin), effective Feb. 12, 2023. LaMothe has served as acting deputy director for disclosure operations since August 2022. LaMothe joined the SEC in 2002 and has held a number of senior leadership roles in Corp Fin including director of the disclosure review program, associate director of the Office of Assessment and Continuous Improvement, and associate director of disclosure operations.

Director of Corp Fin

On Jan. 13, 2023, the SEC announced Erik Gerding's appointment as director of Corp Fin, effective on Feb. 3, 2023. Gerding has served as deputy director and replaces Renee Jones, who returns to the faculty of Boston College Law School. Gerding, who has degrees from Duke University and Harvard Law School, joined the SEC in October 2021 and leads Legal and Regulatory Policy in Corp Fin. Prior to joining the SEC, he was professor of law at the University of Colorado Law School and the University of New Mexico School of Law. He also practiced in the New York and Washington, D.C., offices of Cleary Gottlieb Steen & Hamilton LLP.

Chief accountant

On Jan. 11, 2023, the SEC named Paul Munter chief accountant. Munter has served as acting chief accountant since January 2021. The chief accountant leads the SEC's Office of the Chief Accountant and is the primary commission adviser on accounting and auditing matters. Prior to joining the SEC, Munter was a senior accounting instructor at the University of Colorado Boulder and retired as a partner at a public accounting firm.

From the PCAOB

Standard-setting

Auditor’s use of confirmation proposal

On Dec. 20, 2022, the PCAOB proposed for public comment a new auditing standard on the auditor’s use of confirmation. The new standard, AS 2310, “The Auditor’s Use of Confirmation,” would replace in its entirety the current AS 2310, “The Confirmation Process,” and is designed to strengthen and modernize the confirmation requirements. Among other changes, the proposed standard includes a new requirement that the auditor should perform confirmation procedures when auditing cash and cash equivalents and should consider confirming other financial relationships with third parties with which the auditor determines to confirm cash.

Comments were due Feb. 20, 2023.

From the CAQ

Role of auditors in climate information

On March 9, 2023, the CAQ issued "The Role of the Auditor in Climate-Related Information." The publication helps stakeholders understand what types of climate-related information companies disclose today and how auditors might be involved.

SEC non-GAAP financial measures guidance

On Jan. 25, 2023, the CAQ issued "Alert 2023-1: Updates to SEC Non-GAAP Financial Measures Compliance and Disclosure Interpretations (C&DIs)" to provide an overview of the updates posted by the SEC on Dec. 13, 2022, and a comparison between the old C&DIs and the updated ones. The updates to the C&DIs encompass the SEC staff's views that have been communicated in comment letters over the past several years.

From the GASB

Final standards

The Governmental Accounting Standards Board (GASB) issued no new standards during the first quarter of 2023.

Proposals

Implementation guidance update

On Feb. 6, 2023, the GASB issued an exposure draft, "Additional Proposal for Implementation Guidance Update – 2023," to addresses the single issue of whether a cloud computing arrangement meets the definition of a subscription-based information technology arrangement (SBITA) as defined in GASB Statement No. 96, "Subscription-Based Information Technology Arrangements."

The question and answer proposed in this exposure draft supplements the guidance in the proposed implementation guide, "Implementation Guidance Update – 2023," and, if cleared by the GASB as final guidance, will be included in that implementation guide when issued.

Comments were due March 10, 2023.

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
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**
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. **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. 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 SEC filers, excluding smaller reporting companies, March 31, 2020** **For all other PBEs, including smaller reporting companies, March 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** **For ASU 2022-02, March 31, 2023, 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 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.**
Deferral of the Sunset Date of Reference Rate Reform, Topic 848 (ASU 2022-06) Extends the sunset date of ASC Topic 848 (Reference Rate Reform) to Dec. 31, 2024, in response to the United Kingdom's Financial Conduct Authority (FCA) extension of the intended cessation date of LIBOR in the United States.	**Upon issuance, Dec. 21, 2022**	**Not applicable**
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. **ASU 2022-05** – Revises transition guidance to allow for an insurance entity to make an accounting policy election on a transaction-by-transaction basis. An insurance entity may elect to exclude contracts from applying the amendments if certain conditions are met as of the effective date.	**For SEC filers, excluding smaller reporting companies, March 31, 2023** **For all other PBEs, including smaller reporting companies, Dec. 31, 2025**	**Permitted**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
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**
Disclosure of Supplier Finance Program Obligations (ASU 2022-04) Provides transparency regarding the entity's use of supplier finance programs. The amendments require various quantitative and qualitative disclosures including key terms of the program, the amount outstanding, a description of where those obligations are presented on the balance sheet, and a rollforward of those obligations during the annual period. For interim reporting, the buyer should disclose the outstanding confirmed amount as of the end of the interim period.	**March 31, 2023, except for the amendment on rollforward information, which is March 31, 2024**	**Permitted**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end PBEs	Early adoption
Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (ASU 2022-03) Clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. Clarifies that an entity cannot recognize and measure a contractual sale restriction as a separate unit of account. The amendments include various disclosure requirements.	**March 31, 2024**	**Permitted, including in an interim period**
Common Control Lease Arrangements (ASU 2023-01) Revises the accounting for leasehold improvements. Leasehold improvements associated with a lease between entities under common control are to be amortized over the useful life of those improvements to the common control group as long as the lessee controls the use of the underlying asset through a lease. If the lessor obtained the right to control the use of the underlying asset through a lease with another entity not within the common control group, the amortization period is determined under existing guidance when a lease is not a lease between entities under common control. If and when the lessee no longer controls the underlying asset, leasehold improvements associated with common control leases must be accounted for as a transfer between entities under common control through an adjustment to equity.	**March 31, 2024**	**Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.**
Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (ASU 2023-02) Expands the option to account for tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. For tax equity investments not accounted for under the proportional amortization method, the amendments require entities to apply ASC Topic 323, “Equity Method or Joint Ventures,” or ASC Topic 321, “Investments – Equity Securities.” The amendments require specific disclosures that must be applied to all investments that generate income tax credits and income tax benefits from a tax credit program for which an entity has elected to apply the proportional amortization method, including investments within the tax credit program that do not otherwise qualify for the proportional amortization method.	**March 31, 2024**	**Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.**

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
Deferral of the Sunset Date of Reference Rate Reform, Topic 848 (ASU 2022-06) Extends the sunset date of ASC Topic 848 (Reference Rate Reform) to Dec. 31, 2024 in response to the United Kingdom's Financial Conduct Authority (FCA) extension of the intended cessation date of LIBOR in the United States.	**Upon issuance, Dec. 21, 2022**	**Not applicable**
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**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
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
Disclosure of Supplier Finance Program Obligations (ASU 2022-04) Provides transparency regarding the entity's use of supplier finance programs. The amendments require various quantitative and qualitative disclosures including key terms of the program, the amount outstanding, a description of where those obligations are presented on the balance sheet, and a rollforward of those obligations during the annual period.	**Dec. 31, 2023, except for the amendment on rollforward information, which is Dec. 31, 2024**	**Permitted**
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**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
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**
Common Control Lease Arrangements (ASU 2023-01) Provides a practical expedient to private companies and not-for-profit entities that are not conduit bond obligors to use the written terms and conditions of a common control arrangement to determine whether a lease exists and, if so, the classification of and accounting for that lease. The amendments also revise the accounting for leasehold improvements for all entities (that is, public business entities, private companies, not-for-profit entities, and employee benefit plans). Leasehold improvements associated with a lease between entities under common control are to be amortized over the useful life of those improvements to the common control group as long as the lessee controls the use of the underlying asset through a lease. If the lessor obtained the right to control the use of the underlying asset through a lease with another entity not within the common control group, the amortization period is determined under existing guidance when a lease is not a lease between entities under common control. If and when the lessee no longer controls the underlying asset, leasehold improvements associated with common control leases must be accounted for as a transfer between entities under common control through an adjustment to equity (or net assets for not-for-profit entities).	**Dec. 31, 2024**	**Permitted including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.**

Accounting Standards Update (ASU)	Effective dates for Dec. 31 year-end non-PBEs	Early adoption
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. **ASU 2022-05** – Revises transition guidance to allow for an insurance entity to make an accounting policy election on a transaction-by-transaction basis. An insurance entity may elect to exclude contracts from applying the amendments if certain conditions are met as of the effective date.	**Dec. 31, 2025**	**Permitted**
Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions **(ASU 2022-03)** Clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. Clarifies that an entity cannot recognize and measure a contractual sale restriction as a separate unit of account. The amendments include various disclosure requirements.	**Dec. 31, 2025**	**Permitted, including in an interim period**
Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method **(ASU 2023-02)** Expands the option to account for tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. For tax equity investments not accounted for under the proportional amortization method, the amendments require entities to apply ASC Topic 323, "Equity Method or Joint Ventures," or ASC Topic 321, "Investments – Equity Securities." The amendments require specific disclosures that must be applied to all investments that generate income tax credits and income tax benefits from a tax credit program for which an entity has elected to apply the proportional amortization method, including investments within the tax credit program that do not otherwise qualify for the proportional amortization method.	**Dec. 31, 2025**	**Permitted, including in an interim period. If adopted in an interim period, an entity must adopt as of the beginning of the fiscal year that includes that interim period.**

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**
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**

GASB statement	Effective dates – reporting periods beginning after	Early adoption
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**
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**

GASB statement	Effective dates – reporting periods beginning after	Early adoption
Omnibus 2022 (GASB Statement 99) Addresses a variety of topics including the classification and reporting of derivative instruments; clarification of provisions in Statements 34, 87, 94, and 96; extension of the LIBOR cessation date; and various technical updates related to SNAP, nonmonetary transactions, pledges of future revenues, and terminology.	**Varies by topic (see pages 11 and 12 of the statement)** **Upon issuance, June 15, 2022, June 15, 2023**	**Permitted**
Accounting Changes and Error Corrections (GASB Statement 100) Provides guidance for various categories of accounting changes or error corrections and prescribes the applicable accounting and financial reporting guidance for each category. The statement also establishes how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information (RSI) and supplementary information (SI).	**June 15, 2023**	**Permitted**
Compensated Absences (GASB Statement 101) Provides recognition and measurement guidance for all types of compensated absences under a unified model. This statement requires that a liability for compensated absences be recognized if all of these occur: 1) The leave is attributable to services already rendered. 2) The leave accumulates. 3) The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement amends the existing disclosure requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability, and it no longer requires the government to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.	**Dec. 15, 2023**	**Permitted**

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AUDIT2300-011G