



# Quarterly Perspectives

FASB 4Q 2024

**forv/s**  
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This paper provides an overview of FASB standard-setting activity, along with updates on outstanding exposure drafts and ongoing projects to keep you on top of issues that may impact your accounting and financial statement reporting. For a deeper dive into standards and exposure drafts highlighted in this document, links to our **FORsights™** resources are included.

FASB was busy this quarter, issuing two final Accounting Standards Updates (ASUs), seven exposure drafts, and three invitations to comment (ITCs), including an agenda consultation to solicit feedback on future standard setting.

ASU effective dates are summarized for public business entities (PBEs) in Appendix A and for all other entities in Appendix B. Appendix C has additional information on each ASU (sorted chronologically by effective date), and links to related articles.

## FASB Standard Setting

### Accounting Standards Updates

Topic & Title	Description	Effective Date	
		PBEs	Other Entities
<p><b>ASU 2024-03</b></p> <p><b>Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)</b></p> <p><i>Disaggregation of Income Statement Expenses</i></p> <p><b>Issued:</b> November 4, 2024</p> <p><b>Resource:</b> <a href="#">Details on FASB's Public Company Expense Disclosures (DISE)</a></p>	<p>PBEs would be required to provide additional detailed information—on an annual and interim basis—about purchase of inventory, employee compensation, depreciation, intangible assets amortization, and depreciation, depletion, and amortization (DD&amp;A) as part of oil- and gas-producing activities expenses included in each relevant expense caption.</p> <p>Disclosure of the total amount of selling expenses on an interim and annual basis would be required, including definition of selling expenses in annual reporting periods.</p> <p><b>If you might elect retrospective application, consider gathering information during or shortly after December 31, 2024 year-end to get a head start on gathering the comparative information.</b></p>	<p>Annual periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027</p> <p>(as amended by ASU 2025-01)</p>	<p>N/A</p>
<p><b>ASU 2024-04</b></p> <p><b>Debt—Debt with Conversion and Other Options (Subtopic 470-20)</b></p> <p><i>Induced Conversion of Convertible Debt Instruments</i></p> <p><b>Issued:</b> November 26, 2024</p> <p><b>Resource:</b> <a href="#">New FASB Guidance on Induced Conversions</a></p>	<p>The ASU clarifies several issues related to convertible debt securities:</p> <ul style="list-style-type: none"> <li>• Requirements for induced conversion accounting.</li> <li>• Guidance for convertible debt instruments that do not require the issuance of equity securities.</li> <li>• When induced conversion guidance can be applied to a convertible debt instrument that is not currently convertible.</li> </ul>	<p>Annual reporting periods beginning after December 15, 2025</p>	

## Exposure Drafts Issued

Topic & Title	Description	Comments Due
<p><b>Internal-Use Software (Subtopic 350-40)</b>  <i>Targeted Improvements to the Accounting for Internal-Use Software</i>  <b>Issued:</b> October 29, 2024  <b>Resource:</b> <a href="#">FASB's Proposed Updates to Software Cost Accounting &amp; Disclosures</a></p>	<ul style="list-style-type: none"> <li>• Removes all references to project stages.</li> <li>• Adds criteria for the start of capitalization of software costs.</li> <li>• Requires cash paid for capitalized internal-use software costs to be separately presented as investing cash outflow in the statement of cash flows.</li> </ul>	<p>January 27, 2025</p>
<p><b>Business Combinations (Topic 805) and Consolidation (Topic 810)</b>  <i>Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity</i>  <b>Issued:</b> October 30, 2024  <b>Resource:</b> <a href="#">FASB Proposal Would Clarify the Accounting Acquirer for VIEs</a></p>	<p>The proposal would clarify the determination of the accounting acquirer in a business combination where the transaction is effected primarily by exchanging equity interests in which the legal acquiree is a variable interest entity (VIE). An entity would be required to consider the same factors currently used to determine the accounting acquirer in other acquisition transactions.</p> <p><b>Fifteen comment letters were received with broad support. A few letters suggested minor edits for additional clarity.</b></p>	<p>December 16, 2024</p>
<p><b>Interim Reporting (Topic 270)</b>  <i>Narrow-Scope Improvements</i>  <b>Issued:</b> November 13, 2024  <b>Resource:</b> <a href="#">FASB Proposes Updates to Interim Reporting Guidance</a></p>	<ul style="list-style-type: none"> <li>• Clarifies that Accounting Standards Codification (ASC) 270 should apply to all entities preparing interim financial statements and adds new nonprofit-specific interim reporting guidance.</li> <li>• New unified list of required interim disclosures within ASC 270 and a new disclosure principle for events subsequent to the end of the most recent fiscal year that have occurred which have a material impact on the entity.</li> <li>• Clarifies the form and content of interim financial statements in accordance with U.S. GAAP, breaking out requirements for SEC registrants and other entities.</li> </ul>	<p>March 31, 2025</p>
<p><b>Government Grants (Topic 832)</b>  <i>Accounting for Government Grants by Business Entities</i>  <b>Issued:</b> November 19, 2024  <b>Resource:</b> <a href="#">New Guidance on Accounting for Government Grants?</a></p>	<p>The proposal would add new guidance for the recognition, measurement, and presentation of government grants received by business entities.</p>	<p>March 31, 2025</p>

Topic & Title	Description	Comments Due
<p><b>Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)</b></p> <p><i>Disaggregation of Income Statement Expenses</i></p> <p><b>Issued:</b> November 25, 2024</p>	<p>Technical correction to the interim effective date for ASU 2024-03.</p> <p><b>Comment letters were supportive. Feedback was reviewed on December 18, 2024 and ASU 2025-01 was issued on January 6, 2025.</b></p>	December 10, 2024
<p><b>Financial Instruments—Credit Losses (Topic 326)</b></p> <p><i>Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-for-Profit Entities</i></p> <p><b>Issued:</b> December 3, 2024</p> <p><b>Resource:</b> <a href="#">Private Companies &amp; NFPs May Get CECL Relief for Accounts Receivables</a></p>	<p>The proposal would create a practical expedient and an accounting policy election to reduce the cost and challenges of applying the CECL model to accounts receivable balances and current contract assets arising from revenue transactions.</p> <p>If approved, early adoption would be permitted for 2024 financial statements that have not been made available for issuance.</p>	January 17, 2025
<p><b>Environmental Credits and Credit Obligations (Topic 818)</b></p> <p><b>Issued:</b> December 17, 2024</p> <p><b>Resource:</b> <a href="#">FASB Proposes Guidance on Environmental Credits</a></p>	<p>The proposal would add guidance for the recognition, measurement, presentation, and disclosures requirements for all entities that own environmental credits or have compliance obligations that may be settled with environmental credits.</p>	April 15, 2025

## Invitations to Comment (ITCs) Issued

An ITC is a staff document prepared at the direction of the FASB chair and FASB does not express any preliminary views. Responses help inform FASB as it considers whether to add a project to its technical agenda and, if added, to determine the project's objective and scope.

Topic & Title	Description	Comments Due
<p><b>Key Performance Indicators for Business Entities</b></p> <p><b>Issued:</b> November 14, 2024</p>	<p>A key performance indicator (KPI) is any financial measure calculated or derived from the financial statements and/or accounting records that is not presented in the U.S. GAAP financial statements. The ITC asks:</p> <ul style="list-style-type: none"> <li>• Should financial KPIs be standardized and, if so, which ones?</li> <li>• Should financial KPIs be required or permitted to be disclosed in an entity's GAAP financial statements and, if so, when and for what types of entities?</li> </ul>	April 30, 2025
<p><b>Recognition of Intangibles</b></p> <p><b>Issued:</b> December 19, 2024</p>	<p>There can be a significant difference between the book value and market capitalization of certain entities, and previous feedback has been mixed about narrowing that gap by recognizing intangible assets or requiring new disclosures to give investors more relevant information. The ITC asks:</p>	May 30, 2025

Topic & Title	Description	Comments Due
	<ul style="list-style-type: none"> <li>• Is there a pervasive need to improve U.S. GAAP for accounting and disclosure of intangibles?</li> <li>• What intangibles, or groups of intangibles, should FASB consider? Any potential solutions along with costs and benefits?</li> <li>• Should different accounting apply for internally developed versus acquired intangibles?</li> <li>• What information do investors use or would use about intangibles?</li> </ul>	
<b>Agenda Consultation</b> <b>Issued: January 3, 2025</b>	Based on preliminary outreach to a cross-section of stakeholders, FASB identified several potential areas for targeted improvements to U.S. GAAP. The ITC requested additional feedback and asked for feedback on which topics should be added to FASB's future agenda and the order of priority.	June 30, 2025

## Project Updates

### Outstanding Exposure Drafts

Topic & Title	Description	Status
<b>Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606)</b> <b>Clarifications to Share-Based Consideration Payable to a Customer</b> Issued: September 30, 2024 Resource: <a href="#">Clarity Coming for Share-Based Payments to Customers?</a>	Current U.S. GAAP is unclear on the treatment of share-based consideration payable to a customer with a service condition. Under the proposal, revenue recognition would no longer be delayed when an entity grants awards that are not expected to vest.  <b>Eighteen letters were received, with broad support for the amendments. Several respondents had suggestions for minor edits for additional clarity.</b>	Ongoing deliberations

Topic & Title	Description	Status
<p><b>Derivatives and Hedging (Topic 815)</b>  <b><i>Hedge Accounting Improvements</i></b>  <b>Issued:</b> September 25, 2024  <b>Resource:</b> <a href="#">FASB Proposes Updates to Hedge Accounting</a></p>	<p>The proposal includes the following targeted changes to better align hedge accounting with the economics of management’s risk management strategies:</p> <ol style="list-style-type: none"> <li>1. Similar risk assessment for cash flow hedges.</li> <li>2. Hedging forecasted interest payments on choose-your-rate debt instruments.</li> <li>3. Cash flow hedges of nonfinancial forecasted transactions.</li> <li>4. Net written options as hedging instruments.</li> <li>5. Dual hedges.</li> </ol> <p><b>Sixteen letters were received with broad support. Several respondents requested additional clarity on cash flow hedges of forecasted transactions and the written option test. Several edits were suggested on the application of the choose-your-rate debt hedges.</b></p>	<p>Ongoing deliberations</p>
<p><b>Derivatives &amp; Hedging (Topic 815)/Revenue from Contracts with Customers (Topic 606)</b>  <b><i>Derivatives Scope Refinements and Scope Clarification for a Share-Based Payment from a Customer in a Revenue Contract</i></b>  <b>Issued:</b> July 23, 2024  <b>Resource:</b> <a href="#">Proposal to Clarify Derivative Scope Exception &amp; Share-Based Payments</a></p>	<p>The proposal would make the following changes:</p> <ol style="list-style-type: none"> <li>1. Create a new derivative scope exception for contracts with features based on the operations or activities of one of the contract’s parties, e.g., financial statement metrics, regulatory approvals, product development milestones, or greenhouse gas (GHG) emissions targets.</li> <li>2. ASC 606 guidance should be used for a share-based payment from a customer that is consideration for the transfer of goods or services.</li> </ol> <p><b>Thirty-four comment letters were received.</b></p> <p><b>Derivative scope. Overall general support, with strong approval from the pharma industry. Several respondents noted there may be unintended consequences for contingent conversion or redemption features that contain both a financial and nonfinancial underlying, deal contingent derivatives, and knock-in/knock-out features. The predominant characteristic assessment may be challenging to apply for multiple settlement provisions. Cost/benefit assessment might not make sense for private companies as written. Illustrative examples were requested for nonprofit and private company application. Concerns were raised if litigation funding arrangements would be scoped out.</b></p> <p><b>ASC 606 feedback. There was general support. Additional clarification was sought on application to intellectual property, price changes before asset recognition, unit of account for multiple vesting tranches, and impairment.</b></p>	<p>Ongoing deliberations</p>

Topic & Title	Description	Status
<b>Financial Instruments—Credit Losses (Topic 326)</b> <i>Purchased Financial Assets</i> <b>Issued:</b> June 27, 2023 <b>Resource:</b> <a href="#">Changes Coming for Acquired Financial Assets Accounting?</a>	<p>The project will consider expanding the scope of the purchased credit deteriorated (PCD) accounting model to certain financial assets acquired in a business combination.</p> <p><i>Thirty-five comment letters were received, and feedback was mixed, similar to the original CECL deliberations.</i></p>	Ongoing deliberations

## Ongoing Projects

In addition to proposed ASUs, FASB's technical plan includes the following active projects not discussed in the earlier sections and excludes technical corrections or codification improvements and taxonomy updates. Recent updates are bolded.

Presentation & Disclosure Projects	
<b>Cash Flow Statement Targeted Improvements</b> Initial deliberations Added to agenda November 2023	The project's goal is to reorganize and disaggregate the statement of cash flows for financial institutions to improve the decision usefulness of that statement and develop a disclosure about an entity's cash interest received.

## Research Projects

### FASB

- **Accounting for Commodities.** This research project will explore accounting for and disclosure of commodities.
- **Consolidation for Business Entities.** This research project will explore whether a single consolidation model could be developed for business entities. This research project does not include reconsideration of the consolidation guidance in Topic 958, *Not-for-Profit Entities*.
- **Accounting for Derivatives.** This project will address the bifurcation criteria for an embedded derivative and the accounting for derivative contract modifications.
- **Statement of Cash Flows.** This project will explore further potential improvements.

### PCC

- **Presentation of Contract Assets and Contract Liabilities for Construction Contracts.** On September 9, 2024, the Private Company Council (PCC) approved drafting a proposal that would create an accounting alternative to allow certain contractors to separately present gross contract assets and liabilities on the balance sheet.
- **Resource:** [FASB to Revisit Retainage Presentation](#)

### EITF

- **Issuance of New Debt to Repay Old Debt.** ASC 470-50, *Debt—Modifications and Extinguishment*, indicates that an exchange of debt instruments results in an extinguishment under ASC 405, *Contingencies*, if the terms of the new



instrument are substantially different from those of the old instrument. However, there are diverse views on whether transactions involving the contemporaneous exchanges of cash between the debtor and multiple creditors, along with the issuance of new debt and the satisfaction of outstanding obligations, are within the scope of ASC 450 or ASC 470-50.

**In October, the Emerging Issues Task Force (EITF) recommended an approach whereby a debtor would account for a transaction separately as an extinguishment of the existing debt obligation and the issuance of new debt when the following conditions are met:**

- **The existing debt has been repaid in accordance with its original contractual terms or repurchased at market terms.**
- **The new debt was issued at market terms following the issuer's normal marketing process for new debt issuances.**

**On November 20, 2024, FASB voted to proceed with an exposure draft for issuance in January or February 2025.**

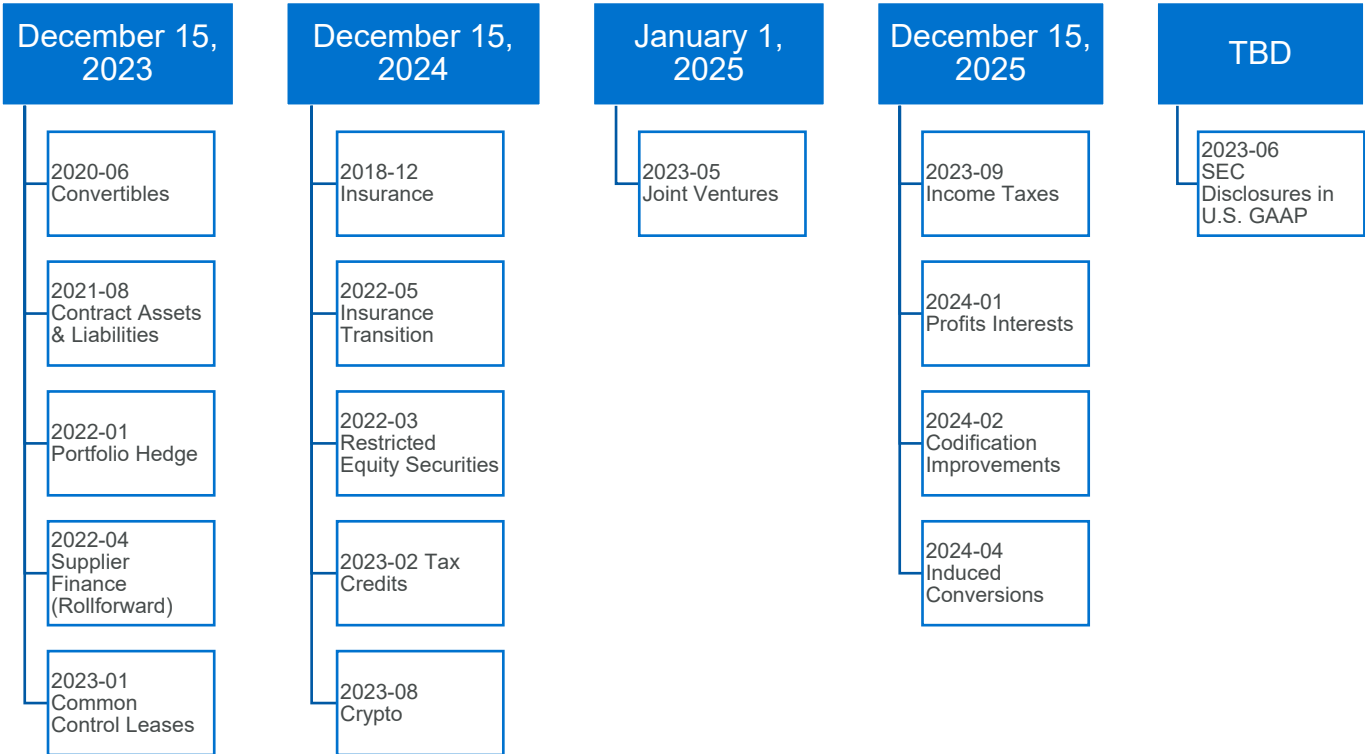
# Appendix A – Upcoming Effective Dates – Public Business Entities

For fiscal years/annual periods beginning after:

December 15, 2023	December 15, 2024	January 1, 2025	December 15, 2025	December 15, 2026	TBD
2020-06 Convertibles (SRCs)	2018-12 Insurance (SRC)	2023-05 Joint Ventures	2024-04 Induced Conversions	2024-03 I/S Expenses	2023-06 SEC Disclosures in GAAP
2022-03 Restricted Equity Securities	2022-05 Insurance Transition (SRC)				
2022-04 Supplier Finance (Rollforward)	2023-08 Crypto				
2023-01 Common Control Leases	2023-09 Income Taxes				
2023-02 Tax Credits	2024-01 Profits Interests				
2023-07 Segment Reporting	2024-02 Codification Improvements				

# Appendix B – Private Companies & NFPs

For fiscal years/annual periods beginning after:



## Appendix C – ASU Summaries & Related FORsights™

### Effective for 2024 Calendar Year-Ends

Topic & Title	Description	Effective Dates	
		PBEs (Not SRCs)	Other Entities
<p><b>ASU 2020-06</b>  <b>Debt (Topic 470) and Derivatives and Hedging (Topic 815)</b>  <i>Accounting for Convertible Instruments and Contracts in an Entity's Own Equity</i>  <b>Resource:</b> <a href="#">Accounting for Convertible Instruments</a></p>	<p>The ASU reduces the number of accounting models available for convertible debt securities, resulting in fewer embedded conversion features being separately recognized from the host contract. The ASU also amends guidance for the derivatives scope exception for contracts in an entity's own equity. It removes three conditions required to qualify for the settlement guidance related to settlement in unregistered shares, collateral requirements, and shareholder rights.</p>	<p>Already effective</p>	<p>Fiscal years beginning after December 15, 2023, including interim periods</p>
<p><b>ASU 2021-08</b>  <b>Business Combinations (Topic 805)</b>  <i>Accounting for Contract Assets and Contract Liabilities from Contracts with Customers</i>  <b>Resource:</b> <a href="#">Refresher on Contract Assets &amp; Liabilities in a Business Combination</a></p>	<p>The ASU requires an acquirer to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606.</p>	<p>Already effective</p>	<p>Interim and annual fiscal years beginning after December 15, 2023</p>



Topic & Title	Description	Effective Dates	
		PBEs	Other Entities
<b>ASU 2022-01</b> <b>Derivatives and Hedging (Topic 815)</b> <i>Fair Value Hedging—Portfolio Layer Method</i> <b>Resource:</b> <a href="#">Updates on Hedge Accounting for Private Companies</a>	<p>The ASU expands the current single-layer model to allow multiple-layer hedges of a single closed portfolio of financial assets or one or more beneficial interests secured by a portfolio of financial instruments. This allows an entity to achieve hedge accounting for a great proportion of the interest rate risk for assets in a closed portfolio.</p>	Already effective	Fiscal years beginning after December 15, 2023, including interim periods
<b>ASU 2022-03</b> <b>Fair Value Measurement (Topic 820)</b> <i>Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i> <b>Resource:</b> <a href="#">Prepared for New Fair Value Guidance for Restricted Equity Securities?</a>	<p>The ASU clarifies that a contractual restriction on the sale of an equity security is not considered part of the security's unit of account and should not be considered in measuring fair value. Entities also are now prohibited from recognizing and measuring the contractual sales restriction as a separate unit of account, e.g., as a liability or contra-asset.</p>	Fiscal years beginning after December 15, 2023	Fiscal years beginning after December 15, 2024
<b>ASU 2022-04</b> <b>Liabilities—Supplier Finance Programs (Subtopic 405-50)</b> <i>Disclosure of Supplier Finance Program Obligations</i> <b>Resource:</b> <a href="#">New Disclosures for Supply Finance Arrangements</a>	<p>The ASU requires the buyer in a supplier finance program to disclose qualitative and quantitative information about the program to allow an investor to understand the program's nature, activity during the period, changes from period to period, and potential magnitude.</p>	<b>Rollforward</b> Fiscal years ending after December 15, 2023	

Topic & Title	Description	Effective Dates	
		PBEs	Other Entities
<p><b>ASU 2023-01</b>  <b>Leases (Topic 842)</b>  <i>Common Control Arrangements</i>  <b>Resource:</b> <a href="#">FASB Finalizes Common Control Lease Relief</a></p>	<p>The ASU addresses the following issues:</p> <ol style="list-style-type: none"> <li>1. Practical expedient for private companies and nonprofit organizations that are not conduit bond obligors to use written terms and conditions to be considered for arrangements between common control entities in determining lease existence, and if so, the classification and accounting.</li> <li>2. All entities – Amortize leasehold improvements over the useful life to the common control group in a common control lease arrangement.</li> </ol>	<p>Fiscal years beginning after December 15, 2023</p> <p>Early adoption permitted for interim and annual financial statements that have not yet been made available for issuance</p>	
<p><b>ASU 2023-02</b>  <b>Investments—Equity Method and Joint Ventures (Topic 323)</b>  <i>Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method</i>  <b>Resource:</b> <a href="#">Proportional Amortization Option for More Tax Credit Programs &amp; LIHTC Accounting Changes</a></p>	<p>The ASU expands the proportional amortization method accounting election—under certain conditions—to other existing programs, such as the New Markets Tax Credit (NMTC), Historic Rehabilitation Tax Credit (HTC), and Renewable Energy Tax Credit (RETC). Additional disclosures also would be required. Certain existing specialized guidance for Low-Income Housing Tax Credit (LIHTC) investments has been removed to provide more comparable accounting for all tax programs.</p> <p>FASB acknowledged that some NMTCs may not be able to take advantage of this election.</p>	<p>Fiscal years beginning after December 15, 2023, including interim periods</p>	<p>Fiscal years beginning after December 15, 2024, including interim periods</p>

Public Entities		
<p><b>ASU 2023-07</b>  <b>Segment Reporting (Topic 280)</b>  <i>Improvements to Reportable Segment Disclosures</i></p>	<p>For annual and interim reporting, significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit/loss and an amount for other segment items by reportable segment with a description of its composition.</p> <p>Required interim reporting for currently required annual disclosures on a reportable segment.</p> <p>Guidance for multiple measures of a segment's profit/loss.</p> <p>Title and position of the individual/committee identified as the CODM.</p> <p>A public entity with a single reportable segment would be required to provide all the new disclosures and all existing segment disclosures in ASC 280.</p>	<p>Fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted</p>

## Effective for 2025 Calendar Year-Ends

Topic & Title	Description	Effective Dates	
		PBEs (Not SRCs)	Other Entities
<p><b>ASU 2018-12</b>  <b>Financial Services—Insurance (Topic 944)</b>  <i>Targeted Improvements to the Accounting for Long-Duration Contracts</i></p> <p><b>Resource:</b> <a href="#">Prepared for the Changes to Long-Duration Insurance Contracts?</a></p>	<p>The new guidance:</p> <ol style="list-style-type: none"> <li>1. Requires annual assumptions update for liability measurement.</li> <li>2. Standardizes liability discount rate.</li> <li>3. Improves measurement of market risk benefits.</li> <li>4. Simplifies amortization of deferred acquisition costs on a more level basis.</li> <li>5. Requires significant new disclosures.</li> </ol>	<p>Already effective</p>	<p>Fiscal years beginning after December 15, 2024, and interim periods beginning after December 15, 2025</p>

Topic & Title	Description	Effective Dates	
<p><b>ASU 2022-05</b>  <b>Financial Services—Insurance (Topic 944)</b>  <i>Transition for Sold Contracts</i>  <b>Resource:</b> <a href="#">Relief on Long-Duration Insurance Transition</a></p>	<p>The ASU creates an accounting policy election on a transaction-by-transaction basis, whereby an insurer could opt out of applying ASU 2018-12 to certain contracts or legal entities sold or disposed before the effective date. The relief would be limited to contracts or legal entities in which the insurer does not have continuing involvement.</p>	<p>Already effective</p>	<p>Fiscal years beginning after December 15, 2024, and interim periods beginning after December 15, 2025</p>
		All Entities	
<p><b>ASU 2023-08</b>  <b>Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60)</b>  <i>Accounting for and Disclosure of Crypto Assets</i>  <b>Resource:</b> <a href="#">Details on FASB's New Crypto Guidance</a></p>	<p>Entities are required to measure certain crypto assets at fair value at each reporting period, with changes recognized in net income. This ASU requires increased disclosures for entities holding certain crypto assets.</p>	<p>Fiscal years beginning after December 15, 2024, including interim periods within those fiscal years</p>	

Topic & Title	Description	Effective Dates	
		PBEs	Other Entities
<p><b>ASU 2023-09</b>  <b>Income Taxes (Topic 740)</b>  <i>Improvements to Income Tax Disclosures</i>  <b>Resource:</b> <a href="#">FASB Finalizes New Income Tax Disclosures</a></p>	<p>New annual tabular income tax reconciliation for PBEs. All entities would be required to break out federal, state, and foreign taxes with a disaggregation for jurisdictions that exceed 5% of total income taxes paid (net of refunds received).</p>	<p>Annual periods beginning after December 15, 2024</p>	<p>Annual periods beginning after December 15, 2025</p>
<p><b>ASU 2024-01</b>  <b>Compensation—Stock Compensation (Topic 718)</b>  <i>Scope Application of Profits Interest and Similar Awards</i>  <b>Resource:</b> <a href="#">FASB Clarifies Profits Interest Accounting</a></p>	<p>The ASU adds an illustrative example (with four fact patterns) on how an entity would determine whether a profits interest award should be accounted for in accordance with ASC 718.</p>	<p>Annual and interim periods after December 15, 2024</p>	<p>Annual and interim periods beginning after December 15, 2025</p>



Topic & Title	Description	Effective Dates	
<b>ASU 2024-02</b> <b>Codification Improvements</b> <i>Amendments to Remove References to Concepts Statements</i>	<p>The ASU removes references to various Concepts Statements. In most instances, the references are extraneous and not required to understand or apply the guidance. In other instances, the references are a substitute for actual wording from a Concepts Statement. In most cases, the ASU is not intended to result in significant accounting changes for most entities.</p>	Fiscal years beginning after after December 15, 2024	Fiscal years beginning after after December 15, 2025

Topic & Title	Description	Effective Dates
		All Entities
<b>ASU 2023-05</b> <b>Business Combinations—Joint Venture Formations (Subtopic 805-60)</b> <i>Recognition and Initial Measurement</i> <b>Resource:</b> <a href="#">New JV Accounting Rules – Fair Value Required</a>	<p>The ASU provides—for the first time—recognition and initial measurement for joint ventures (JVs). To reduce diversity in practice and provide decision-useful information to investors, a JV that meets the definition of a JV would be required to apply a new basis of accounting. At formation, a newly formed JV would initially generally measure its assets and liabilities at fair value.</p>	For JV formations on or after January 1, 2025

## Effective for 2026 Calendar Year-Ends

Topic & Title	Description	Effective Dates	
		SEC Filers	Other Entities
<b>ASU 2024-04</b> <b>Debt—Debt with Conversion and Other Options (Subtopic 470-20)</b> <i>Induced Conversions of Convertible Debt Instruments</i> <b>Resource:</b> <a href="#">New FASB Guidance on Induced Conversions</a>	<p>The ASU clarifies several issues related to convertible debt securities:</p> <ul style="list-style-type: none"> <li>• Requirements for induced conversion accounting.</li> <li>• Guidance for convertible debt instruments that do not require the issuance of equity securities.</li> <li>• When induced conversion guidance can be applied to a convertible debt instrument that is not currently convertible.</li> </ul>	Annual reporting periods beginning after December 15, 2025	

## Effective for 2027 Calendar Year-Ends

Topic & Title	Description	Effective Dates	
		PBEs	Other Entities
<p><b>ASU 2024-03</b></p> <p><b>Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Topic 220-40)</b></p> <p><i>Disaggregation of Income Statement Expenses</i></p> <p><b>Resource:</b> <a href="#">Details on FASB's Public Company Expense Disclosures (DISE)</a></p>	<ul style="list-style-type: none"> <li>PBEs would be required to provide additional detailed information—on an annual and interim basis—about purchase of inventory, employee compensation, depreciation, intangible assets amortization, and depreciation, depletion, and amortization (DD&amp;A) as part of oil- and gas-producing activities expenses. Included in each relevant expense caption.</li> <li>Disclosure of the total amount of selling expenses on an interim and annual basis would be required, including definition of selling expenses in annual reporting periods.</li> </ul>	Annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027	N/A

## Effective Date – TBA

Topic & Title	Description	Effective Dates	
		SEC Filers	Other Entities
<p><b>ASU 2023-06</b></p> <p><b>Disclosures (Various Topics)</b></p> <p><b>Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative</b></p> <p><b>Resource:</b> <a href="#">FASB Adds Certain SEC Disclosures to GAAP</a></p>	<p>Additions to U.S. GAAP that were previously included in SEC guidance include changes to interim reporting, earnings per share, debt, derivative and repo disclosures, foreign exchange, real estate investment trusts, and oil and gas industry-specific disclosures.</p> <p><b>Forvis Mazars will continue to provide updates on timing.</b></p>	For SEC filers, the effective date for each amendment will be the effective date when the SEC removes the related disclosure from Regulation S-X or Regulation S-K. For all other entities, the ASU is effective two years later.	If the SEC has not acted by June 30, 2027, pending content will be removed from the codification and will not be effective for any entity.

## Conclusion

The assurance team at Forvis Mazars delivers extensive experience and skilled professionals to help align with your objectives. Our proactive approach includes candid and open communication to help address your financial reporting

needs. At the end of the day, we know how important it is for you to be able to trust the numbers; our commitment to independence and objectivity helps provide the security and confidence you desire.

Whether you are publicly traded or privately held, Forvis Mazars can provide an independent and objective view into your financial reporting. We leverage some of the latest technologies and process automation tools to provide companies assurance on their financial statements to help meet stakeholders' needs.