DHG | assurance

Q2 2020

# a&a update

**Accounting, Reporting and Auditing Developments**

June 26, 2020

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# second quarter 2020 accounting & assurance update

The developments included in this Accounting and Assurance (A&A) Update are intended to be a reminder of recently issued accounting and auditing standards and other guidance that may affect our clients in the current reporting period. This quarterly A&A Update is intended as general information and should not be relied upon as being definitive or all-inclusive. Throughout the document we have also referenced other DHG A&A Updates and external publications, as applicable. Recent quarterly A&A Updates can be found under Assurance Alerts on the DHG Knowledge Share Hub.

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## FASB Issues Staff Guidance on Accounting for Leases During COVID-19

The FASB staff issued a question-and-answer (Q&A) document focusing on the application of the lease guidance in Topic 842 and Topic 840 for lease concessions related to the effects of COVID-19. The FASB staff issued this document as many lessors are or will be providing lease concessions to lessees for a significant number of lease contracts due to business disruptions and challenges affecting the global economy caused by the COVID-19 pandemic. The Q&A highlights four general questions about accounting for lease concessions including the following:

1. Are lease concessions related to the effects of the COVID-19 pandemic required to be accounted for in accordance with the lease modification guidance in Topic 842 and Topic 840?
2. Is an entity precluded from accounting for lease concessions related to the effects of the COVID-19 pandemic by applying the lease modification guidance in Topic 842 and Topic 840?
3. Does an entity have to account for all lease concessions related to the effects of the COVID-19 pandemic either (a) as if the enforceable rights and obligations to those concessions existed in the original contract or (b) in accordance with the lease modification guidance in Topic 842 and Topic 840?
4. Should an entity provide disclosures about lease concessions related to the effects of the COVID-19 pandemic?

## FASB Issues Staff Guidance on Hedge Accounting During COVID-19

The FASB staff issued a question-and-answer (Q&A) document responding to frequently asked questions about the effects of COVID-19 on cash flow hedge accounting. The Q&A was issued in response to stakeholder questions on how the postponement or cancellation of forecasted transactions related to the effects of the COVID-19 pandemic should be considered when applying cash flow hedge accounting under Topic 815, *Derivatives and Hedging*.

## PCAOB Publishes Spotlight on Reminders for Audits Near Completion in Light of COVID-19

The PCAOB has issued a Spotlight publication highlighting important reminders as auditors near completion of their engagements for issuers and broker-dealers. Although the COVID-19 crisis and the resulting economic uncertainty present challenges for auditors, it is important for auditors of issuers and broker-dealers to remember that they have an obligation to comply with PCAOB standards and rules, as well as other regulatory and professional requirements.

### Responsibility to Identify, Assess, and Respond to Risks of Material Misstatement

The risk assessment process is not a distinct phase of the audit, but instead a continuous process which may lead an auditor to make adjustments throughout the course of an audit. PCAOB standards require the auditor's assessment of the risks of material misstatement, including fraud risks, to continue throughout the audit. In light of the impacts of the COVID-19 crisis, new risks may emerge, or previous risks identified may need to be revisited as the expected magnitude and likelihood of misstatement has changed as a result. In addition, changes in management's processes and controls may result in an increased risk of error in financial reporting. As such, engagement teams should ensure they have considered the impacts of the COVID-19 crisis on their risk assessment and make appropriate modifications as deemed necessary based on the individual facts and circumstances of their issuer or broker-dealer client.

### Consideration of Audit Procedures and Nature of Audit Evidence

The COVID-19 crisis can present challenges to audit engagement teams in their ability to obtain appropriate audit evidence in a timely manner. In the current remote work environment, auditors may have to obtain audit evidence in a different form than originally planned, which may impact the auditor's ability to rely on the evidence obtained. For example, if evidence obtained is a copy or in digital format, additional procedures may need to be performed in order to support the validity of that evidence. In addition, auditors may face challenges in obtaining evidence that was previously planned to be obtained through physical observation procedures. As such, auditors should take into consideration the specifics of their client situation, including the materiality of the applicable balances, the assessed risk of material misstatement, and the issuer's or broker-dealer's internal controls, which will all affect the auditor's approach to obtaining sufficient appropriate audit evidence.

### Effect on Financial Statements and Financial Reporting Processes and Controls

The economic impact of the COVID-19 crisis on the financial statements of issuers and broker-dealers will vary based on their individual facts and circumstances. Certain areas of the financial statements may present challenges to the auditor's evaluation of the presentation of the financial statements including disclosures in the following areas: subsequent events, going concern, asset valuation, accounting estimates including fair value measurements, revenue recognition, leases, hedging, income taxes, allowances and loss contingencies, debt modifications and restructuring, disclosures of risks and uncertainties, and liquidity-related disclosures. The COVID-19 crisis may also affect an issuer's or broker-dealer's financial reporting process and related controls resulting from remote working arrangements or travel restrictions. As such, auditor's procedures related to understanding and testing relevant controls may need to be reconsidered. Also, auditors may need to design and perform new procedures, or modify previously planned procedures, to test new or modified implemented controls.

### Audit Committee Communications

PCAOB auditing standards require certain communications be made with the audit committee. The following matters that the auditor is required to communicate may be affected by COVID-19 issues:

- Significant changes to the planned audit strategy or the significant risks initially identified, and the reasons for such changes;
- Matters related to accounting policies, practices, and estimates, and the auditor's evaluation of the quality of the company's financial reporting, including any significant changes management made to the processes used to develop critical accounting estimates or significant assumptions, a description of management's reasons for the changes, and the effect of the changes on the financial statements;
- Control-related matters, including significant deficiencies and material weaknesses;
- Matters that are difficult or contentious for which the auditor consulted outside the engagement team and that the auditor reasonably determined are relevant to the audit committee's oversight of the financial reporting process;
- Matters relating to the auditor's evaluation of the company's ability to continue as a going concern; and
- Significant difficulties encountered during the audit.

**Impact on the Auditor's Report**

The COVID-19 crisis may affect the auditor's determination and communication of critical audit matters (CAMs). While the COVID-19 crisis may not itself be a CAM, it may be a principal consideration in the auditor's determination as to whether a CAM exists and could also affect how CAMs were addressed in the audit. In addition, the significance of the impacts of COVID-19 may warrant including additional elements in the auditor's report, such as explanatory language or an explanatory paragraph when there is substantial doubt about the ability of the company to continue as a going concern.

## AICPA Issues FAQs on Audit Matters and Auditor Reporting Related to COVID-19

The AICPA has published guidance in the form of a frequently asked questions (FAQs) document, FAQs — Audit Matters and Auditor Reporting Issues Related to COVID–19. The AICPA staff developed the FAQs to assist practitioners performing audit engagements and preparers of financial statements. The guidance is not authoritative and should not be applied to preparation or issuance of audit reports under the jurisdiction of the PCAOB. Additionally, the guidance in the FAQ document does not address accounting, disclosure, and reporting nuances for public companies.

The FAQ is categorized into four separate categories and the AICPA has indicated that they intend to update the FAQ document as additional information becomes available.

1. General Accounting, Auditing, and Reporting Matters: This section covers questions and answers related to risks and uncertainties, subsequent events, and going concern matters.
2. Audit and Auditor Reporting Specific Matters: This section covers questions and answers related to inventory observations, conducting fraud inquiries remotely, considerations regarding access to books and records, implications for the auditor's evaluation of internal control, use of SOC 1 reports and user auditors, use of external confirmations, conducting planning meetings in a remote environment, considerations for management representation letters, as well as emphasis-of-matter paragraphs and types of auditor's reports.
3. Accountant's Compilation Report: This section includes considerations when evaluating whether to modify the accountant's compilation report in financial statements that omit substantially all disclosures regarding potential uncertainties resulting from the COVID-19 pandemic.
4. Accounting and Financial Reporting Specific Matters: This section covers questions and answers with respect to financial reporting for the fair value of investments, asset impairments, unusual or infrequent events, and deferred tax assets related to COVID-19.

The FAQ Document can be found on the AICPA's website.

## SEC Staff Publishes COVID-19 Related FAQs

The staff in the SEC's Division of Corporation Finance has published *COVID-19 Related FAQs*. These FAQs provide guidance specific to financial reporting related to the COVID-19 pandemic. The FAQ provides guidance on: (1) implementing the SEC's guidance with the COVID-19 Order modifying exemptions from the reporting and proxy delivery requirements for public companies; and (2) questions related to registration statements on Form S-3.

## SEC Chief Accountant Stresses Importance of Financial Reporting in Light of COVID-19

On April 3, 2020, the SEC's Chief Accountant, Sagar Teotia, issued a *Statement on the Importance of High-Quality Financial Reporting Light of the Significant Impacts of COVID-19* (the OCA Statement). The OCA Statement urges all participants in the financial reporting system to continue to work together to provide investors with the high-quality financial information they need to make decisions amidst uncertainty. The OCA Statement also reaffirms OCA's views on the importance of auditor independence in this uncertain economic environment.

## SEC Co-Director Discusses SEC Enforcement During COVID-19

In his keynote address to Securities Enforcement Forum West, 2020, SEC Enforcement Co-Director Steven Peikin discussed how the SEC's Division of Enforcement is working to detect and address COVID-19-related misconduct in this highly volatile market environment. Peikin indicates that the Division of Enforcement has "looked to the experiences had, and the lessons learned, by our predecessors in other periods of emergency and serious market disruption, including September 11 attacks and the 2007-2008 global financial crisis." Specifically, Peiken discussed the formation of the Coronavirus Steering Committee which "is focused on identifying key areas of potential market and investor risk" and coordinating the Division of Enforcement's response to coronavirus-related enforcement issues. Peikin also warned about increased opportunities for insider trading and market manipulation given volatile market conditions along with a regular stream of potentially market-moving announcements by issuers.

### SEC Division of Corporation Finance Issues Additional COVID-19 Disclosure Guidance

The SEC Division of Corporation Finance (CorpFin) issued guidance including additional views regarding operations, liquidity, and capital resources disclosures companies should consider with respect to business and market disruptions related to COVID-19. CorpFin encourages companies to provide disclosures that allow investors to evaluate the current and expected impact of COVID-19 and to revise and update disclosures as facts and circumstances change. The guidance includes questions for companies to consider as they analyze their specific facts and circumstances and consider their disclosure obligations regarding operations, liquidity, and capital resources, government assistance, specifically The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and a company's ability to continue as a going concern.

Companies should also refer to the previously issued CF Disclosure Guidance: Topic No. 9, which provides guidance on disclosures companies should consider resulting from COVID-19 and related business and market disruptions, such as disclosure controls and procedures and internal control over financial reporting.

### PCAOB Announces Webinar for Audit Committee Members

The PCAOB will be hosting a webinar for audit committee members on Wednesday, July 8th at 2pm. The webinar will cover the PCAOB's new inspection reports, auditing and inspecting audits in the COVID-19 environment, new and recent auditing standards activity, and data and technology. Speakers will include PCAOB Chairman Duhnke, Chief Auditor Megan Zietsman, Deputy Director of Inspections Christina Gunia, and Stakeholder Liaison Erin Dwyer. The webinar is open to the public; however, advanced registration is required.

### CAQ COVID-19 Auditing Professional Resources Page

In response to the COVID-19 pandemic, the CAQ has created an *Auditing Profession Resources* webpage, which includes various auditor resources to assist professionals in maintaining high quality audits during this uncertain time. The CAQ's webpage includes the following COVID-19 resources:

- CAQ COVID-19 Resource: Key Auditor and Audit Committee Considerations
- Interim Financial Statements Included in Form 10-Q: Auditor Responsibilities and COVID-19 Considerations for Investors and Audit Committees
- Going Concern: Management and Auditor Responsibilities
- COVID-19 Considerations for Non-GAAP Financial Measures and Performance Metrics
- Focus on the Auditor's Risk Assessment
- Auditing Accounting Estimates in the COVID-19 Environment

## Accounting & Financial Reporting Matters

### Financial Accounting Standards Board (FASB)

The following Accounting Standard Updates (ASUs) were recently issued by the FASB. For a summary of their effective dates, along with past ASUs issued and their corresponding effective dates, refer to Appendix A and B for public business entities and Appendix C for private companies.

**ASU 2020-05 – Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities**

This ASU provides a one-year deferral of the required effective dates of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU No. 2016-02, *Leases (Topic 842)* for certain entities. Specifically, the deferral of the Topic 606 effective date applies to private companies and not-for-profit organizations that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of Topic 606. Such entities may elect Topic 606 for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. The deferral of the Topic 842 effective date applies to private companies, private not-for-private organizations, and public not-for-profit organizations that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of Topic 842. Under the amendments, Topic 842 is effective for private companies and private not-for-profit organizations for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Topic 842 is effective for public not-for-profit organizations that have not yet issued their financial statements (or made available for issuance) reflecting the adoption of Topic 842 for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is still permitted.

**FASB Issues Statement on Prudential Regulator Guidance Concerning Troubled Debt Restructurings**

The Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), the Consumer Financial Protection Bureau (CFPB), and the State Banking Regulators (the agencies) issued a joint statement to provide additional information to financial institutions that are working with borrowers affected by COVID-19. The statement provided by the agencies includes guidance on the following topics:

- Working with customers
- Accounting for loan modifications
- Past due reporting
- Nonaccrual status and charge-offs
- Discount window eligibility

In response, the FASB issued a statement noting the guidance issued in the agencies joint statement was developed in consultation with the FASB staff who concur with the approach and they stand ready to assist stakeholders with any questions they may have during this time.

**FASB Votes to Issue Proposed ASU to Delay Standard for Insurance Companies That Issue Long-Duration Contracts**

The FASB voted to issue a proposed ASU that would allow insurance companies that issue long-duration contracts an additional year to implement ASU No. 2018-12, *Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*. The proposed ASU will have a 45-day review and comment period. The FASB expects to issue the proposed ASU in the coming weeks.

### U.S. Securities & Exchange Commission (SEC)

**SEC Adopts Amendments to Improve Financial Disclosures about Acquisitions and Dispositions of Businesses**

On May 21, 2020, the SEC adopted amendments to its rules and forms to improve for investors the financial information about acquired or disposed businesses, facilitate more timely access to capital, and reduce the complexity and costs to prepare the disclosure. The amendments to the rules and forms are intended to assist registrants in making more meaningful determinations of whether a subsidiary or an acquired or disposed business is significant and improve the financial disclosure requirements applicable to acquisitions and dispositions of businesses, including real estate operations and investment companies. The final rules are effective on January 1, 2021, but voluntary compliance will be permitted in advance of the effective date.

**SEC Adopts Amendments to the National Market System Plan Governing the Consolidated Audit Trail to Improve Transparency and Financial Accountability**

On May 15, 2020, the SEC adopted amendments to the national market system plan governing the consolidated audit trail (the CAT NMS Plan) to bring additional transparency, governance, oversight, and financial accountability to its implementation. The amendments to the CAT NMS Plan require the Financial Industry Regulatory Authority (FINRA) and the exchanges, the self-regulatory organizations that are participants to the CAT NMS Plan (the Participants), to publish and file with the SEC a complete implementation plan for the Consolidated Audit Trail (CAT) and quarterly progress reports. Each of the reports must be approved by the Operating Committee established by the CAT NMS Plan and submitted to the CEO, President, or an equivalently situated senior officer at each Participant. In addition, the amendments include financial accountability provisions that establish target deadlines for four critical implementation milestones and reduce the amount of fee recovery available to the Participants if those target deadlines are missed. The amendments were effective June 22, 2020.

**SEC Directs Equity Exchanges and Financial Industry Regulatory Authority to Improve Governance of Market Data Plans**

On May 6, 2020, the SEC issued an order directing the equity exchanges and the FINRA (the participants) to submit a new national market system (NMS) plan with a modernized governance structure for the production of public consolidated equity market data and the dissemination of trade and quote data from trading venues. Millions of Main Street investors, whether individually or collectively through mutual funds or pension funds, have invested their savings in equity securities. Recent market developments have given rise to concerns about whether, as currently structured, the existing NMS plans for equity market data continue to fulfill their regulatory purpose to ensure the availability of information with respect to quotations for and transactions in securities. The order addresses conflicts of interest inherent in the current governance structure of the existing equity data plans and is designed to improve the efficiency of NMS plan operations and the responsiveness of the plan to the concerns of non-SRO market participants. This order is a part of a broader, ongoing Commission effort to modernize the U.S. national market system to better meet the needs of investors – both retail and institutional – and other market participants.

**SEC Provides Temporary, Conditional Relief to Allow Expedited Crowdfunding Offerings**

The SEC announced that it is providing temporary, conditional relief for established smaller companies affected by COVID-19 that may look to meet their urgent funding needs through a *Regulation Crowdfunding* offering. According to the SEC, these actions will expedite the offering process for eligible companies by providing relief from certain rules with respect to the timing of a company's offering and financial statements required. To take advantage of the temporary rules, a company must meet enhanced eligibility requirements and provide clear, prominent disclosure to investors about its reliance on the relief. The relief will apply to offerings launched between the effective date of the temporary rules and August 31, 2020. The temporary rules are the latest in a series of steps the Commission has taken to assist financial market participants in addressing the impacts of the coronavirus. The Commission and its staff continue to assess impacts relating to the coronavirus on investors and market participants, and will consider additional relief from other regulatory requirements where necessary or appropriate.

**SEC Staff Provides Guidance on Mining Property Disclosures**

The staff in the SEC's Division of Corporation Finance (Corp Fin) has updated its Compliance and Disclosure Interpretation, *Regulation S-K* (Questions 155.01 – 155.03). Corp Fin has provided this update to reflect guidance on compliance with the new mining property disclosure rules set forth in *Subpart 1300 of Regulation S-K*.

### SEC Staff Provides Guidance for Certain Paper Documents in Light of COVID-19 Concerns

The staff in the SEC's Division of Corporation Finance (Corp Fin) is aware of logistical difficulties submitting certain forms (other than Forms 144) in paper given the spread of COVID-19. In light of ongoing health and safety concerns related to COVID-19, the staff is providing the following statement to those affected by COVID-19 regarding the forms listed below. This staff statement is temporary and covers those who submit the following forms for the period from and including April 23, 2020 to June 30, 2020.

- Annual reports to security holders furnished by foreign private issuers on Form 6-K pursuant to Rule 101(b)(1) of Regulation S-T;
- Forms 11-K pursuant to Rule 101(b)(3) of Regulation S-T;
- Periodic reports and distribution reports filed by certain international development banks pursuant to Rule 101(b)(5) of Regulation S-T;
- Reports or other documents furnished by foreign private issuers on Form 6-K pursuant to Rule 101(b)(6) of Regulation S-T; and
- Unabridged foreign language documents and English translations of a foreign government's or its political subdivision's latest annual budget pursuant to Rules 306(b) and (c) of Regulation S-T

Corp Fin staff will not recommend enforcement action to the Commission if the above documents are submitted via email in lieu of mailing or delivering the paper document to the SEC if the filer attaches a complete document, including any required exhibits, as PDF attachments to an email sent to CorporationFinancePaperForms@SEC.gov.

If the filer is unable to provide a manual signature on a document submitted by email, the staff will not recommend enforcement action to the Commission if the filer provides a typed form of signature in lieu of the manual signature and:

- the signatory retains a manually signed signature page or other document authenticating, acknowledging, or otherwise adopting his or her signature that appears in typed form within the email submission and provides such document, as promptly as practicable, upon request by Division or other Commission staff;
- such document indicates the date and time when the signature was excluded; and
- the filer establishes and maintains policies and procedures governing this process

Filers may continue to submit these documents to the SEC mailroom. There may, however, be delays in the process of such documents.

### SEC Enhances Standards for Critical Market Infrastructure

On April 9, 2020, the SEC adopted amendments to its rules for securities clearing agencies to apply enhanced standards to all SEC-registered central counterparties and central securities depositories. The rule amendments build on rules adopted by the Commission in 2016 pursuant to the Dodd-Frank Act to establish enhanced standards for the operation and governance of securities clearing agencies deemed systematically important and those that are central counterparties for security-based swaps. Securities clearing agencies subject to the SEC's enhanced standards must adhere to requirements regarding, among other things, their policies and procedures for financial risk management, governance, recovery planning, operations, and disclosures to market participants and the public. Prior to these amendments, only certain systematically important clearing agencies and clearing agencies for security-based swaps were subject to these enhanced standards. The rules adopted apply these enhanced standards to all SEC-registered central counterparties and central securities depositories. The rules will become effective 60 days after publication in the Federal Register.

### SEC Office of Compliance Inspections and Examinations Publishes Risk Alerts Providing Advance Information Regarding Inspections for Compliance with Regulations Best Interest and Form CRS

On April 7, 2020, the SEC's Office of Compliance Inspections and Examinations (OCIE) issued two risk alerts: Examinations that Focus on Compliance with Regulation Best Interest and Examinations that Focus on Compliance with Form CRS. These risk alerts provide broker-dealers and investment advisers with advance information about the expected scope and content of the initial examinations for compliance with Regulation Best Interest and Form CRS. Regulation Best Interest and Form CRS are key components of a broader package of rules and interpretations, adopted contemporaneously on June 5, 2019, to enhance the quality and transparency of retail investors' relationships with broker-dealers and investment advisers. The compliance date for Regulation Best Interest and Form CRS is June 30, 2020. Initial examinations of Regulation Best Interest will focus on assessing whether broker-dealers have made a good faith effort to implement policies and procedures reasonably designed to comply with Regulation Best Interest, including the operational effectiveness of broker-dealers' policies and procedures. Initial examinations of Form CRS will focus on assessing whether firms have made a good faith effort to implement Form CRS, including reviewing the filing and posting of a firm's relationship summary as well as its process for delivering the relationship summary to existing and new retail investors.

## Other SEC Matters

### SEC Staff Updates Compliance and Disclosure Interpretation

The staff in the Division of Corporation Finance (Corp Fin) has updated its Compliance and Disclosure Interpretation (C&DI), *Exchange Act Forms* (questions 104.18 and 112.02). Corp Fin has updated this C&DI to reflect SEC and SEC staff guidance in response to COVID-19.

## Public Company Accounting Oversight Board (PCAOB)

### PCAOB Publishes Guide to Reading the New Inspection Report

The PCAOB has issued a Spotlight publication highlighting the format of the new inspection report. As a result of external engagement activities with stakeholders and to further advance its strategic objective to provide clearer and more useful information to the public, the PCAOB and staff developed a new inspection report with the following features:

- Streamlines the content to enhance readability for investors, audit committee members, preparers, audit firms, and the general public;
- Utilizes new charts and graphs to make the information more digestible and accessible;
- Reduces the amount of technical and boilerplate language;
- Provides access to a new, refined document that describes general, non-firm specific information about what and how we inspect, rather than repeating such information in each report.

The new report includes new information, such as a classification system for audits with deficiencies presented in Part I.A. For firms that are inspected annually, PCAOB inspections data for the three most recent inspection years is also provided. The 2018 inspection reports for the largest six U.S. firms were the first reports to be issued under the new format. 2018 inspection reports for other annually inspected firms will also follow the new format. All triennially inspected firms' 2019 inspection reports will utilize a similar new format but may not include all of the same data as the annually inspected firms due to the frequency of inspections and size and nature of the firms. The new report format does not apply to PCAOB inspections of broker-dealers.

### PCAOB Publishes Spotlight on Audits Involving Cryptoassets

The PCAOB has issued a Spotlight publication highlighting observations for auditors and audit committees as it relates to audits involving cryptoassets. The PCAOB has observed from inspections that there is a need for more focus on the identification and assessment of the risks of material misstatement to the financial statements related to cryptoassets, as well as planning and performing an appropriate audit response. As such, this publication provides reminders for auditors about certain areas of responsibility under PCAOB standards, both at the firm and audit engagement level. Specifically, under PCAOB quality control standards, a firm should establish policies and procedures for deciding whether to accept or continue a client relationship, which involves establishing policies and procedures which provide reasonable assurance that the firm only undertakes engagements that the firm can reasonably expect to be completed with professional competence. For example, an audit involving cryptoassets may require certain specialized skill and knowledge. At the audit engagement level, PCAOB standards on audit planning address the engagement team's need for specialized skill or knowledge, which may be necessary in auditing cryptoassets. In addition, in identifying and assessing the risks of material misstatement, the auditor should obtain an understanding of the issuer and its environment, including the consideration of the risk of management override of controls.

The publication also provides example questions that audit committees of issuers that are new to transacting in, or holding cryptoassets, could consider asking their auditors.

### PCAOB Publishes Spotlight on Updating its Data and Technology Research Project

The PCAOB has issued a Spotlight publication to provide observations from the PCAOB's Office of the Chief Auditor's research project on data and technology (the Project). The Project involved gaining an understanding of how auditors are using technology-based tools and how preparers are using technology in the financial reporting process. Observations to date indicate that current PCAOB auditing standards are not preventing firms from using technology-based tools; however, the PCAOB acknowledges that current standards do not explicitly encourage the use of such tools, indicate when their use might be appropriate, or highlight the risks of pitfalls associated with their use. Other observation areas noted in the publication include the impacts of technology-based tools on identifying and assessing risk of material misstatement, audit evidence, and firm policies and procedures.

### PCAOB Hosts Webinars on Implementation of New Auditing Standards

The PCAOB hosted two webinars in April on the implementation of new auditing standards, specifically on the implementation of *Auditing Accounting Estimates, Including Fair Value Measurements* and Auditor's Use of the Work of Specialists. The recording of these webinars has been posted to the PCOAB's website and is available on the auditing accounting estimates and the auditor's use of the work of specialists implementation pages.

## American Institute of Certified Public Accountants (AICPA)

### AICPA's ASB Votes to Release New SASs on Evidence and Disclosures

The Auditing Standards Board (ASB) of the AICPA held a virtual meeting in May during which they voted to issue two final Statements on Auditing Standards (SASs): Audit Evidence and Auditing Accounting Estimates and Related Disclosures.

*Audit Evidence*
According to the ASB's High-Level summary of the meeting, the final SAS explains what constitutes audit evidence in an audit of financials statements and outlines several attributes for auditors to consider as they evaluate information to be used as audit evidence. This project initially arose in response to the need to address increasing use of emerging technologies by both financial statement preparers and auditors including data analytics, artificial intelligence, and expanded use of external information sources as audit evidence, among others. The SAS

also enhances the need for use of professional skepticism and provides guidance on adapting to technology changes.

The SAS is expected to be effective for audits of financial statements for periods ending on or after December 15, 2022. Early implementation is permitted.

*Audit Evidence and Auditing Accounting Estimates and Related Disclosures*
This SAS will provide auditors with additional guidance on auditing accounting estimates and related disclosures and requires, among other things, auditors to focus their attention on areas of higher risk, accounting judgement, and possible bias. In addition, this SAS will assist the auditor in forming appropriate conclusions about the reasonableness of estimates in the context of the entity's financial reporting framework.

The SAS is expected to be effective for audits of financial statements for periods ending on or after December 15, 2023. Early implementation is permitted.

### AICPA's FinRec Issues Working Drafts on Issues for Insurance Entities

On May 15, 2020, the Financial Reporting Executive Committee (FinRec) of the AICPA issued two additional working drafts of issues related to implementation of FASB Accounting Standards Update (ASU) 2018-12, Targeted Improvements to the Accounting for Long-Duration Contracts. These working drafts are as follows:

> *Issue #11B: Ceded reinsurance - When reinsuring existing traditional and limited payment long-duration insurance contracts, what are the direct liabilities for future policy benefits relating to the underlying reinsured contracts that should be used to recognize the reinsurance recoverable and to determine the cost of reinsurance*
>
> *Issue #13: Impact of FASB ASU 2018-12 on Shadow Accounting.*

Comments on these issues are due July 17, 2020. Once final, these issues will be included in the AICPA's *Audit and Accounting Guide: Life and Health Insurance Entities.*

### AICPA Releases SAS 141 Deferring Auditing Standard Effective Dates

In an effort to provide relief to audit firms as a result of challenges created by the COVID-19 pandemic, the AICPA issued SAS 141, *Amendment to the Effective Dates of SAS Nos. 134-140*. The effective dates for a suite of standards have been delayed one year from audits of financial statements for periods ending on or after December 15, 2020 to audits of financial statements for periods ending on or after December 15, 2021. Previously, early implementation was not permitted, but under SAS No. 141 early adoption is no longer prohibited. However, the AICPA recommends that the below suite of standards be implemented together as SAS Nos. 134-140 primarily relate to substantial changes to the auditor's report and have interrelated amendments. This standard was effective upon issuance.

The following standards are impacted by this delay:

- SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*
- SAS No. 135, *Omnibus Statement on Auditing Standards — 2019*
- SAS No. 136, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*
- SAS No. 137, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*
- SAS No. 138, *Amendments to the Description of the Concept of Materiality*
- SAS No. 139, *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134*
- SAS No. 140, *Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes from SAS Nos. 134 and 137*

### AICPA Adds New Pre-SAS 134 Auditing Standards

In response to the issuance of SAS 141, *Amendment to the Effective Dates of SAS Nos. 134-140* which delayed the effective dates of SAS Nos. 134-140, the Auditing Standards Board (ASB) of the AICPA has added a Pre-SAS 134 edition of auditing standards to AICPA Professional Standards in an effort to assist auditors and firms that do not implement SASs 134-140 prior to December 15, 2021. The Pre-SAS 134 edition will be effective through 2021 for those who have not implemented SASs 134-140. Once SASs 134-140 have been implemented, the Pre-SAS 134 edition should no longer be utilized. Sections of the edition that do not include codification of SASs 134-140 will be denoted with a "B" suffix.

### AICPA Issus New TQAs for Healthcare Entities

In April, the AICPA issued two additional Technical Questions and Answers (TQAs) in Q&A Section 6400, *Health Care Entities*. The TQAs pertain to accounting for costs incurred in connection with the implementation of electronic health record systems as well as financial presentation considerations related to transactions involving provider taxation programs and similar arrangements.

In addition to the addition of these two TQAs, several other TQAs in Q&A Section 6400 were updated to conform to a variety of Accounting Standards Updates (ASUs).

## Appendix A - Accounting Standards Affecting Public Business Entities in 2020

The following table presents ASUs that become effective in 2020. Please refer to the individual ASUs in their entirety for additional guidance.

| Accounting Standards Update | Effective Date of Public Business Entities | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2020-05 Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Date for Certain Entities | Various[1] | N/A | ✔ | This ASU provides a one-year deferral of the required effective dates of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU No. 2016-02, *Leases (Topic 842)* for certain entities. |
| ASU 2020-04 – Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting | March 12, 2020 through December 31, 2022 | Various; see full ASU for transition guidance | N/A | This ASU provides for temporary, optional guidance to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting. The provisions of this ASU are elective and applicable to all entities that have contracts, hedging relationships and other transactions, subject to certain criteria, that reference LIBOR or another reference rate to be discontinued because of reference rate reform. There are practical expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedge accounting relationships affected by reference rate reform in order to facilitate a smoother transition to new reference rates. For contracts meeting certain criteria, a change in the contract's reference interest rate would be accounted for as a continuation of that contract rather than the creation of a new contract. This provision applies to loans, debt, leases, and other arrangements. An entity will also be permitted to preserve its hedge accounting when updating its hedging strategies in response to reference rate reform. The guidance will only apply to contracts or hedge accounting relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. |
| ASU 2020-03 – Codification Improvements to Financial Instruments | Various<br>See Summary | Various; see full ASU for transition guidance | ✔ | This ASU amends a wide variety of topics in the codification and represents changes to make the codification easier to understand, eliminate noted inconsistencies, and provide clarification throughout the amended topics.<br>Issues 1, 2, 4 and 5 above are conforming amendments and are effective for public business entities upon the issuance of this ASU. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years beginning after December 15, 2020. Early adoption is permitted.Issue 3 is also a conforming amendment and is effective for fiscal years beginning after December 15, 2019. Issues 6 and 7 affect the guidance in Topic 326 and Topic 842 and these effective dates align with those Topics. |

1. **Topic 606 is effective for private companies and not-for-profit organizations that have not yet issued their financial statements (or made financial statements available for issuance) for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Topic 842 is effective for private companies and private not-for-profit organizations for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Topic 842 is effective for public not-for-profit organizations that have not yet issued their financial statements (or made available for issuance) reflecting the adoption of Topic 842 for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.**

## Appendix A - Accounting Standards Affecting Public Business Entities in 2020

| Accounting Standards Update | Effective Date of Public Business Entities | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2020-02 – Financial Instruments-Credit Losses (Topic 326) and Lease (Topic 842) – Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) (SEC Update) | Immediately | Prospectively | N/A | This ASU provides for additional language as a result of SEC Staff Accounting Bulletin No. 119 within Topic 326, Credit Losses and Topic 842, Leases. Under Topic 326, provision 326-20-S99-1 was added to provide guidance on accounting for loan losses by registrants engaged in lending activities subject to Topic 326. Under Topic 842, provision 842-10-S65-1 was added to provide guidance on the effective date for Topic 842 as it relates to public business entities that would not otherwise meet the definition of a public business entity except for a requirement that its financial statements or financial information be included in another entity's filing with the SEC who has adopted Topic 842. |
| ASU 2019-11 Codification Improvements to Topic 326, Financial Instruments—Credit Losses | Fiscal years beginning after December 15, 2019, including interim periods within those fiscal years [2] | Modified Retrospective [3] | ✔ [4] | This ASU provides several significant improvements to Topic 326. First, it clarifies that the allowance for credit losses for purchased financial assets with credit deterioration (PCD assets) should include expected recoveries of the amortized cost basis previously written off and expected to be written off by an entity. It also clarified that this amount should not exceed the aggregate amounts of the amortized cost basis previously written off and expected to be written off by an entity. Secondly, it permits entities to adjust the effective interest rate on existing troubled debt restructurings using prepayment assumptions on the date of adoption of Topic 326 rather than the prepayment assumptions in effect immediately before the restructuring. It also clarifies when a method other than the discounted cash flow method is used to estimate expected losses, expected recoveries should not include any amounts that result in an acceleration of the noncredit discount and extends disclosure relief for accrued interest receivable balances to additional relevant disclosures involving amortized cost basis. Further, it clarifies that entities applying the practical expedient to measure the estimate of expected credit losses for financial assets secured by collateral maintenance provisions should assess whether they reasonably expect the borrower to continually replenish collateral securing the financial asset. Entities should also estimate expected credit losses for the unsecured portion of the amortized cost basis. |

2. For entities that have not yet adopted ASU 2106-13, the effective date requirements are the same as those in ASU 2016-13.
3. For entities that have not yet adopted ASU 2106-13, the transition requirements are the same as those in ASU 2016-13.
4. Early adoption is permitted in any interim period after issuance of this ASU as long as the entity has adopted the amendments in ASU 2016-13.

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| Accounting Standards Update | Effective Date of Public Business Entities | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2019-10 Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates | Credit Losses: For SEC Filers, fiscal years beginning after December 15, 2019 including interim periods within those fiscal years, excluding SRCs. For SRCs, fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Topic 815 and Topic 842 are already effective for PBEs | N/A | ✔ | This ASU defers the effective dates for several major accounting standards updates including the following:<br>• Accounting Standards Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (Credit Losses)<br>• Accounting Standards Update No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Hedging Activities (Hedging)<br>• Accounting Standards Update No. 2016-02, Leases (Topic 842) (Leases) |
| ASU 2019-08 Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers | For entities that have not yet adopted the amendments in ASU 2018-07, fiscal years beginning after December 15, 2019 and interim periods within those fiscal years | Various [5] | ✔ | The amendments in this Update require that an entity measure and classify share-based payment awards granted to a customer by applying the guidance in Topic 718. The amount recorded as a reduction of the transaction price is required to be measured on the basis of the grant-date fair value of the share-based payment award in accordance with Topic 718. The classification and subsequent measurement of the award are subject to the guidance in Topic 718 unless the share-based payment award is subsequently modified, and the grantee is no longer a customer. |
| ASU 2019-07 – Codification Updates to SEC Section – Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates | Immediately | Prospectively | N/A | ASU 2019-07 was issued to amend various SEC paragraphs after the issuance of SEC Final Rule Releases No. 33-10532, *Disclosure Update and Simplification*, and Nos. 33-10231 and 33-10442, *Investment Company Reporting Modernization*. The ASU also includes amendments to incorporate other miscellaneous updates to agree the codification to the electronic Code of Federal Regulations. |

5. If an entity adopts the amendments in this Update in the same fiscal year it adopts the amendments in Update 2018-07, the entity should apply the amendments in this Update through a cumulative-effect adjustment to the opening balance of retained earnings at the beginning of the fiscal year in which it adopted the amendments in Update 2018-07. If an entity adopts the amendments in this Update in a fiscal year after the fiscal year that the entity adopts the amendments in Update 2018-07, the entity should apply the amendments in this Update through a cumulative-effect adjustment to the opening balance of retained earnings at the beginning of either the fiscal year in which it adopted the amendments in Update 2018-07 or the fiscal year in which it adopts the amendments in this Update.

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|---|---|---|---|---|
| ASU 2019-06 - Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958) – Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities | The amendments are effective upon issuance of this Update (April 2019) | Prospectively | N/A | The amendments in this Update extend the private company alternatives from Topic 350 (Update 2014-02) and Topic 805 (Update 2014-18) to not-for-profit entities. |
| ASU 2019-05 - Financial Instruments—Credit Losses (Topic 326) – Targeted Transition Relief | Fiscal years beginning after December 15, 2019, including interim periods within those fiscal years [6] | Modified-retrospective | ✔ | The amendments in this Update provide entities that have certain instruments within the scope of Subtopic 326-20, Financial Instruments—Credit Losses— Measured at Amortized Cost, with an option to irrevocably elect the fair value option in Subtopic 825-10, Financial Instruments—Overall, applied on an instrument-by-instrument basis for eligible instruments, upon adoption of Topic 326. The fair value option election does not apply to held-to-maturity debt securities. An entity that elects the fair value option should subsequently apply the guidance in Subtopics 820-10, Fair Value Measurement—Overall, and 825-10. |
| ASU 2019-04 – Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments | Various [7] | Various; see full ASU for transition guidance | ✔ | The amendments in this Update represent changes to clarify, correct errors in, or improve the Codification. The amendments should make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. |
| ASU 2019-03 – Not-for-Profit Entities (Topic 958) – Updating the Definition of Collections | Fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020 | Prospectively | ✔ | The amendments in this Update align the Codification's definition of Collections to the definition in the American Alliance of Museums' Code of Ethics for Museums. The amendments in this Update also modify one of the three conditions that need to be met in order for contributions of works of art, historical treasures, and similar assets to be recognized if the donated items are added to collections. |

6. For entities that have not yet adopted the amendments in Update 2016-13, the effective date and transition methodology for the amendments in this Update are the same as in Update 2016-13. For entities that have adopted the amendments in Update 2016-13, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted in any interim period after the issuance of this Update as long as an entity has adopted the amendments in Update 2016-13.

7. Amendments affecting ASU 2016-13: For entities that have not yet adopted the amendments in Update 2016-13, the effective dates and transition requirements for the amendments related to this Update are the same as the effective dates and transition requirements in Update 2016-13. For entities that have adopted the amendments in Update 2016-13, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Amendments affecting ASU 2017-12: For entities that have not yet adopted the amendments in Update 2017-12 as of the issuance date of this Update, the effective dates and transition requirements for the amendments to Topic 815 are the same as the effective dates and transition requirements in Update 2017-12. For entities that have adopted the amendments in Update 2017-12 as of the issuance date of this Update, the effective date is as of the beginning of the first annual period beginning after the issuance date of this Update. Amendments affecting ASU 2016-01: The amendments in this Update related to Update 2016-01 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.

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| Accounting Standards Update | Effective Date of Public Business Entities | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2019-02 – Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials | Fiscal years beginning after December 15, 2019, and interim periods within those fiscal years | Prospectively | ✔ | The amendments in this Update align the accounting for production costs of an episodic television series with the accounting for production costs of films by removing the content distinction for capitalization. The amendments also require that an entity reassess estimates of the use of a film for a film in a film group and account for any changes prospectively. The Update also addresses presentation and requires that an entity provide new disclosures about content that is either produced or licensed, and address cash flow classification for license agreements. |
| ASU 2019-01—Leases (Topic 842): Codification Improvements | Fiscal years beginning after December 15, 2019 and interim periods within those fiscal years | Modified Retrospective [8] | ✔ | This ASU was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing essential information about leasing transactions. Specifically, the amendments in this Update include items that were brought to the Board's attention through interactions with stakeholders and include the following: (1) determining the fair value of the underlying asset by lessors that are not manufacturers and dealers; (2) presentation on the statement of cash flows – sales-types and direct financing leases; and (3) transition disclosures related to Topic 250, Accounting Changes and Error Corrections. |
| ASU 2018-20 – Leases (Topic 842): Narrow-Scope Improvements for Lessors | Effective with ASU 2016-02 [9] | Retrospective or Prospectively | ✔ | This ASU was issued to make targeted improvements to Topic 842 for lessors, specifically as it relates to accounting for sales taxes, certain lessor costs, and variable payments for contracts with lease and nonlease components. |
| ASU 2018-19 – Codification Improvements to Topic 326, Financial Instruments – Credit Losses | Effective with ASU 2016-13, as amended | Modified Retrospective | ✔ [10] | The amendments in this Update clarify that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, Leases. The Update also amends the effective date of the amendments in Update 2016-13 for nonpublic business entities to mitigate transition complexity. |

8. An entity should apply the amendments as of the date that it first applied Topic 842, using the same transition methodology in accordance with paragraph 842-10-65-1(c).
9. For entities that have not adopted Topic 842, the amendments in this Update follow the same effective date and transition requirements in Update 2016-02. For entities that have adopted Topic 842 prior to the issuance of this Update, the amendments in this Update should be applied at the original effective date of Topic 842 for the entity. However, the entity has the option to apply the amendments in either the first reporting period ending after the issuance of this Update or in the first reporting period beginning after the issuance of this Update.
10. Early adoption is permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.

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|---|---|---|---|---|
| ASU 2018-18 – Collaborative Arrangements (Topic 808) – Clarifying the Interaction between Topic 808 and Topic 606 | Fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. | Retrospective [11] | ✔ [12] | The amendments in this Update provide guidance on whether certain transactions between collaborative arrangement participants should be accounted for with revenue under Topic 606. In addition, the Update requires that in a transaction with a collaborative arrangement participant that is not directly related to sales to third parties, presenting the transaction together with revenue recognized under Topic 606 is not allowed if the collaborative arrangement participant is not a customer. |
| ASU 2018-17 – Consolidation (Topic 810) – Targeted Improvements to Related Party Guidance for Variable Interest Entities | Fiscal years beginning after December 15, 2019, and interim periods within those fiscal years | Retrospective | ✔ | This Update amends the current guidance for determining whether fees paid to decision makers and service providers in which indirect interests are held through related parties under common control are variable interests. As amended, indirect interests held through related parties in common control arrangements should be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests. The other amendments in this Update are specific to private companies. |
| ASU 2018-16 – Derivatives and Hedging (Topic 815) – Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes | Effective with ASU 2017-12, as amended. [13] | Prospective | ✔ [14] | The amendments in this Update permit use of the OIS rate based on SOFR as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815 in addition to the UST, the LIBOR swap rate, the OIS rate based on the Fed Funds Effective Rate, and the SIFMA Municipal Swap Rate. |
| ASU 2018-15 – Intangibles – Goodwill and Other- Internal-Use Software (Subtopic 350-40) | Fiscal years beginning after December 15, 2019, and interim periods within those fiscal years | Retrospective, Prospective | ✔ | This ASU amends and improves current guidance on accounting for implementation costs of a hosting arrangement that is a service contract. The amendments in this update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). |

11. The amendments in this Update should be applied retrospectively to the date of initial application of Topic 606. An entity should recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance sheet of retained earnings of the later of the earliest annual period presented and the annual period that includes the date of the entity's initial application of Topic 606. An entity may elect to apply the amendments in this Update retrospectively either to all contracts or only to contracts that are not completed at the date of initial application of Topic 606. An entity should disclose its election. An entity may elect to apply the practical expedient for contract modifications that is permitted for entities using the modified retrospective transition method in Topic 606.
12. Early adoption is permitted, including adoption in any interim period for periods in which financial statements have not yet been issued. An entity may not adopt the amendments earlier than its adoption date of Topic 606.
13. For public business entities that have already adopted ASU 2017-12, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.
14. Early adoption is permitted in any interim period upon issuance of this Update if an entity has already adopted Update 2017-12.

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|---|---|---|---|---|
| ASU 2018-13 – Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement | Fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 | Retrospective | ✔ | The amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, by removing, modifying, and adding certain required disclosures. In addition, the amendments eliminate the phrase "at a minimum" in regards to an entity's required disclosures to clarify that materiality is an appropriate consideration when evaluating disclosure requirements and to promote the use of the appropriate exercise of discretion. |
| ASU 2018-11 – Leases (Topic 842): Targeted Improvements | Fiscal years beginning after December 15, 2018, including interim periods within those fiscal years [15] | Modified Retrospective | ✔ | The amendments in this ASU provide entities with an additional (and optional) transition method to adopt the new leases standard. Under this new transition method, an entity initially applies the new leases standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption consistent with preparers' requests.<br>In addition, the amendments in this Update provide lessors with a practical expedient, by class of underlying asset, to not separate non-lease components from the associated lease component, similar to the expedient provided to lessees. The lessor practical expedient is limited to circumstances in which the non-lease component(s) otherwise would be accounted for under the new revenue recognition guidance and both (1) the timing and pattern of transfer are the same for the non-lease component(s) and associated lease component and (2) the lease component(s), if accounted for separately, would be classified as an operating lease. |
| ASU 2018-10 – Codification Improvements to Topic 842, Leases | Fiscal years beginning after December 15, 2018, including interim periods within those fiscal years | Modified Retrospective | ✔ | This ASU provides clarification to guidance in Topic 842 and corrects unintended application of the guidance. Notable amendments included in the ASU include (1) Clarification that a lessor should account for the exercise by a lessee of an option to extend or terminate the lease or to purchase the underlying assets as a lease modification unless the exercise of that option by the lessee is consistent with the assumptions that the lessor made in accounting for the lease at the commencement date of the lease; (2) Clarification that the period covered by a lessor-only option to terminate the lease is included in the lease term; (3) Clarification that a lessor should not continue to accrete the unguaranteed residual asset to its estimated value over the remaining lease term to the extent that the lessor sells substantially all of the lease receivable associated with a direct financing lease or a sales-type lease; and (4) Clarification that a rate implicit in the lease of zero should be used when applying the definition of the term rate implicit in the lease results in a rate that is less than zero. |

15. For entities that have adopted Topic 842, the practical expedient may be elected in the first reporting period following the issuance of this update or at original effective date of Topic 842 for that entity.

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|---|---|---|---|---|
| ASU 2018-09 – Codification Improvements | Annual periods beginning after December 15, 2018 [16] | Modified Retrospective, Prospective [17] | ✔ [17] | ASU 2018-09 was issued to clarify, correct errors, or make minor improvements to current guidance on various Topics in the Codification. Users should review the entire document to assess any effects that the amendments may have on entities that are within the Update's scope. |
| ASU 2018-08 – Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made | Annual periods beginning after June 15, 2018 (resource recipient) or December 15, 2018 (resource provider), including interim periods within those annual periods | Modified Prospective [18], Retrospective | ✔ | ASU 2018-08 was issued to clarify and improve current guidance for contributions received and made. The amendments should assist entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions subject to other guidance, and determining whether a contribution is conditional. These amendments are designed to reduce diversity in practice when applying current guidance. |
| ASU 2018-07 – Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting | Fiscal years beginning after December 15, 2018, including interim periods within those fiscal years | Modified Retrospective [19] | ✔ [20] | ASU 2018-07 was issued to expand the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under Topic 606, Revenue from Contracts with Customers. |
| ASU 2018-06 – Codification Improvements to Topic 942, Financial Services – Depository and Lending | Immediately | N/A | N/A | This ASU replaces the guidance within FASB ASC 942 – 740, Financial Services – Depository and Lending – Income Taxes, specifically related to Office of the Comptroller of the Currency (OCC) Circular 202 (Accounting for Net Deferred Taxes), as that guidance has been withdrawn by the OCC and is no longer applicable. This ASU is specifically applicable to depository and lending institutions. The ASU is effective upon inclusion in the FASB Codification. |

16. Effective date for each amendment within the Update is based on facts and circumstances of each amendment. Some amendments are effective upon issuance. See detail of ASU 2018-09 for effective dates of each amendment.
17. Transition requirements vary based on the individual amendment. See guidance in ASU 2018-09 for transition requirements of each amendment within the Update.
18. Under the modified prospective basis, in the first set of financial statements following the effective date, the amendments should be applied to agreements that are either (1) not completed as of the effective date; or (2) entered into after the effective date. A completed agreement is an agreement for which all the revenue or expense has been recognized before the effective date.
19. An entity should only remeasure liability-classified awards that have not been settled by the date of adoption and equity-classified awards for which a measurement date has not been established through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. Upon transition, the entity is required to measure these nonemployee awards at fair value as of the adoption date.
20. Early adoption is permitted, but no earlier than an entity's adoption date of Topic 606.

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| ASU 2018-05 – Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (SEC Update) | Immediately | N/A | N/A | This ASU amends certain SEC material in Topic 740 for the income tax accounting implications of the recently issued Tax Cuts and Jobs Act (the Tax Act) and generally serves to codify the SEC's guidance released in SAB 118 mentioned above. The ASU is effective upon inclusion in the FASB Codification. |
| ASU 2018-04 – Investments – Debt Securities (Topic 320) and Regulated Operations (Topic 980): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 117 and SEC Release No. 33-9273 (SEC Update) | Immediately | N/A | N/A | This ASU removes SEC guidance in the Codification in SAB Topic 5.M, Other-Than-Temporary Impairment of Certain Investments in Equity Securities, specifically ASC 320-10-S99-1. The ASU also removes special balance sheet requirements in Regulation S-X Rule 3A-05 for Public Utility Holding Companies. The changes are effective when issued. |
| ASU 2018-03 – Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10); Recognition and Measurement of Financial Assets and Financial Liabilities | For public business entities, the ASU is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years beginning after June 15, 2018<br><br>Public business entities with fiscal years beginning between December 15, 2017, and June 15, 2018, are not required to adopt this ASU until the interim period beginning after June 15, 2018, and public business entities with fiscal years beginning between June 15, 2018, and December 15, 2018, are not required to adopt these amendments before adopting the amendments in ASU 2016-01 | N/A | ✔ [21] | This ASU consists of amendments to clarify certain aspects of the guidance issued in ASU 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities as follows:<br>1. Equity Securities without a Readily Determinable Fair Value—Discontinuation<br>2. Equity Securities without a Readily Determinable Fair Value—Adjustments<br>3. Forward Contracts and Purchased Options<br>4. Presentation Requirements for Certain Fair Value Option Liabilities<br>5. Fair Value Option Liabilities Denominated in a Foreign Currency<br>6. Transition Guidance for Equity Securities without a Readily Determinable Fair Value |

21. All entities may early adopt this ASU for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, as long as they have adopted ASU 2016-01.

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| ASU 2018-02 – Income Statement – Reporting Comprehensive Income (Topic 220); Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income | Fiscal years beginning after December 15, 2018, and interim periods within those fiscal years | Retrospective[22] | ✔ | This ASU allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Act. Additionally, the ASU eliminates the stranded tax effects resulting from the Act and is intended to improve the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The amendments in this Update also require certain disclosures about stranded tax effects. |
| ASU 2018-01 – Leases (Topic 842) Land Easement Practical Expedient for Transition to Topic 842 | Effective with ASU 2016-02 | N/A | ✔ | The amendments in this ASU permit an entity to elect an optional transition practical expedient to not evaluate under Topic 842 land easements that exist or expired before the entity's adoption of Topic 842 and that were not previously accounted for as leases under Topic 840. An entity that elects this practical expedient should apply the practical expedient consistently to all of its existing or expired land easements that were not previously accounted for as leases under Topic 840. |
| ASU 2017-15 - Codification Improvements to Topic 995, U.S. Steamship Entities: Elimination of Topic 995 | Fiscal years beginning after December 15, 2018, and interim periods within those fiscal years | Modified Retrospective | ✔ | This ASU eliminates Topic 995, U.S. Steamship Entities, from the FASB Codification as the guidance is no longer considered relevant. The guidance in Topic 995 on transitioning to the requirements of Topic 740 is no longer relevant because statutory funds deposited on or before December 15, 1992, have reached the 25-year limit.<br>Entities also should disclose the amounts and types of temporary differences for which a deferred tax liability had not previously been recognized. |

22. The amendments in this Update should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recognized.

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| Accounting Standards Update | Effective Date of Public Business Entities | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2017-13 - Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments | Effective with ASU 2014-09 and ASU 2016-02, both as amended | Full or Modified Retrospective (ASU 2014-09)<br><br>Modified Retrospective (2016-02) | ✔ | This ASU amends the early adoption date option for certain companies related to the adoption of ASU 2014-09 and ASU 2016-02. Both of the below entities may still adopt using the public company adoption guidance in the related ASUs, as amended.<br><br>The SEC staff stated the SEC would not object to a public business entity that otherwise would not meet the definition of a public business entity except for a requirement to include or the inclusion of its financial statements or financial information in another entity's filing with the SEC adopting ASC Topic 606 for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.<br><br>The SEC staff stated the SEC would not object to a public business entity that otherwise would not meet the definition of a public business entity except for a requirement to include or the inclusion of its financial statements or financial information in another entity's filing with the SEC adopting ASC Topic 842 for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. |
| ASU 2017-12 - Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities | Fiscal years beginning after December 15, 2018, and interim periods within those fiscal years | Modified Retrospective [23] | ✔ | This ASU is intended to improve and simplify accounting rules around hedge accounting and also help financial statement users better understand an entity's risk exposures and how hedging strategies are used to manage those exposures. The new standard refines and expands hedge accounting for both financial and nonfinancial risk components and aligns the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. Its provisions create more transparency around how economic results are presented, both on the face of the financial statements and in the footnotes, for investors and analysts. |

23. For cash flow and net investment hedges existing at the date of adoption, an entity should apply a cumulative-effect adjustment related to eliminating the separate measurement of ineffectiveness to accumulated other comprehensive income with a corresponding adjustment to the opening balance of retained earnings as of the beginning of the fiscal year that an entity adopts the amendments in this Update. The amended presentation and disclosure guidance is required only prospectively.

## Appendix A - Accounting Standards Affecting Public Business Entities in 2020

| Accounting Standards Update | Effective Date of Public Business Entities | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2017-11 - Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Non-controlling Interests with a Scope Exception | The amendments in Part I of this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018<br><br>The amendments in Part II of this Update do not require any transition guidance because those amendments do not have an accounting effect | Retrospective[24] | ✔ | This ASU was issued to address narrow issues identified as a result of the complexity associated with applying generally accepted accounting principles (GAAP) for certain financial instruments with characteristics of liabilities and equity. There are two parts to the update. The first addresses the complexity of accounting for certain financial instruments with down round features while the second addresses the difficulty of navigating Topic 480, Distinguishing Liabilities from Equity. The amendments related to the second part replace an indefinite deferral on certain guidance in Topic 480 with a scope exception, but ultimately does not have an accounting effect. |
| ASU 2017-08 - Receivables - Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities | Fiscal years beginning after December 15, 2018, including interim periods within those years | Modified Retrospective | ✔ | This ASU was issued in order to shorten the amortization period for certain callable debt securities held at a premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. |
| ASU 2017-06 - Plan Accounting: Defined Benefit Pension Plans (Topic 960); Defined Contribution Pension Plans (Topic 962); Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting | Fiscal years beginning after December 15, 2018 | Retrospective | ✔ | This ASU was issued to improve the usefulness of the information reported to users of employee benefit plan financial statements and to provide clarity to preparers and auditors.<br>The amendments in this ASU require a plan's interest in that master trust and any changes in that interest to be presented in separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits, respectively.<br>The amendments also remove the requirement to disclose the percentage interest in the master trust for plans with divided interests and require that all plans disclose the dollar amount of their interest in each of those general types of investments.<br>The amendments require all plans to disclose: (a) their master trust's other asset and liability balances; and (b) the dollar amount of the plan's interest in each of those balances.<br>Lastly, the amendments eliminate redundant investment disclosures (e.g., those required by Topic 815 and 820) relating to 401(h) account assets. |

24. For part one, an entity can elect to adopt the amendments either: (1) Retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the statement of financial position as of the beginning of the first fiscal year and interim period(s) in which the pending content that links to this paragraph is effective; or (2) Retrospectively to outstanding financial instruments with a down round feature for each prior reporting period presented in accordance with the guidance on accounting changes in paragraphs 250-10-45-5 through 45-10. Part two does not have any transition guidance as there is not accounting effect.

## Appendix A - Accounting Standards Affecting Public Business Entities in 2020

| Accounting Standards Update | Effective Date of Public Business Entities | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2017-04 - Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment | For public entities that are SEC filers, for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019<br><br>For public entities that are not SEC filers, for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2020 | Prospective | ✔ [25] | This ASU was issued in order to simplify the subsequent measurement of goodwill by eliminating the Step 2 goodwill impairment test. Under the amendments in this ASU, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity will then recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, however the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable.<br>The amendments in this ASU also eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and therefore the same impairment assessment now applies to all reporting units. An entity is required to disclose the amount of goodwill allocated to each reporting unit with a zero or negative carrying amount of net assets.<br>The ASU did not affect the option to perform the qualitative assessment (Step 0) for a reporting unit to determine if the quantitative impairment test is necessary. |
| ASU 2016-13 – Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments | Effective for SEC filers for fiscal years, and interim periods within those fiscal years beginning after December 15, 2019<br><br>For public companies that are not SEC filers, effective for fiscal years and interim periods within those years, beginning after December 15, 2020 | Modified Retrospective | ✔ [26] | The ASU is intended to improve financial reporting by requiring timely recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The ASU requires the measurement of all expected credit losses for financial assets not recorded at fair value based on historical experience, current conditions, and reasonable and supportable forecasts. |
| ASU 2016-02 – Leases (Topic 842) | Fiscal years beginning after December 15, 2018 | Modified Retrospective | ✔ | All leases (except for short-term leases) will be required to be recognized on the lessee's balance sheet at commencement date as a lease liability for the obligation of lease payments and a right-of-use asset for the right to use/control a specified asset for the lease term. Lessor accounting is largely unchanged. |

25. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.

26. Early adoption is permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.

## Appendix B - Accounting Standards Affecting Public Business Entities in 2021 and beyond

The following table presents ASUs that become effective for 2021 fiscal years and beyond. Please refer to the individual ASUs in their entirety for additional guidance.

| Accounting Standards Update | Effective Date Public Business Enterprises | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2020-01 – Investments – Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the FASB Emerging Issues Task Force) | Fiscal years beginning after December 15, 2020 and interim periods within those fiscal years | Prospectively | ✔ | This ASU was issued to address concerns over interactions between the measurement alternative provided in Topic 321, Investments – Equity Securities and the equity method of accounting in Topic 323, Investments – Equity Method and Joint Ventures in addition to concerns over the interactions between Topic 312, Topic 323, and Topic 815, Dervivatives and Hedging. Clarification was provided that all entities, immediately before applying or discontinuing the equity method of accounting, should consider observable transactions for the purposes of applying the measurement alternative under Topic 321.The ASU provides clarification that when applying paragraph 815-10-15-141(a) a company should not consider whether, upon settlement or exercise, individually or with other existing investments, the underlying security would be accounted for under Topic 323 or the fair value option in accordance with Topic 825. Instead, a company would evaluate the proper accounting treatment under the remaining characteristics in paragraph 815-10-15-141. |
| ASU 2019-09 Financial Services – Insurance (Topic 944): Effective Date | For SEC Filers, ASU 2018-12 is effective for fiscal years beginning after December 15, 2021 and interim periods within those fiscal years, excluding SRCs. For SRCs, ASU 2018-12 is effective for fiscal years beginning after December 15, 2023 and interim periods within those fiscal years. | N/A | ✔ [27] | This ASU defers the effective dates of the amendments in ASU 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts for all entities. |

27. Early adoption of ASU 2018-12 is permitted.

## Appendix B - Accounting Standards Affecting Public Business Entities in 2021 and beyond

| Accounting Standards Update | Effective Date Public Business Enterprises | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2018-14 – Compensation – Retirement Benefits – Defined Benefit Plans – General (Topic 715-20); Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans | Fiscal years ending after December 15, 2020 | Retrospective | ✔ | This ASU includes amendments, which remove, modify, and add certain required disclosure requirements in the financial statements of employers that sponsor defined benefit pension or other postretirement plans. |
| ASU 2018-12 – Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts | Fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 | Retrospective | ✔ | This ASU amends the guidance in Topic 944 for insurance entities that issue long-duration contracts. Under the Update, the entity is required to review and, if applicable, update the assumptions used to measure cash flows at least annually and update the discount rate assumption at each reporting date. The change in the liability estimate as a result of updating the discount rate assumption is required to be recognized in other comprehensive income. The entity is required to measure all market risk benefits associated with deposit (or account balance) contracts at fair value. The portion of any change in fair value attributable to a change in the instrument specific credit risk is required to be recognized in other comprehensive income. The amendments also simplify the amortization of deferred acquisition costs and other balances amortized in proportion to premiums, gross profits, or gross margins and require that those balances be amortized on a constant level basis over the expected term of the related contracts. |

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

The following table presents ASUs that become effective for 2019 fiscal years and beyond for private companies. Please refer to the individual ASUs in their entirety for additional guidance.

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2020-05 Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Date for Certain Entities | Various[28] | N/A | ✔ | This ASU provides a one-year deferral of the required effective dates of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU No. 2016-02, *Leases (Topic 842)* for certain entities. |
| ASU 2020-04 – Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting | March 12, 2020 through December 31, 2022 | Various; see full ASU for transition guidance | N/A | This ASU provides for temporary, optional guidance to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform on financial reporting. The provisions of this ASU are elective and applicable to all entities that have contracts, hedging relationships and other transactions, subject to certain criteria, that reference LIBOR or another reference rate to be discontinued because of reference rate reform. There are practical expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedge accounting relationships affected by reference rate reform in order to facilitate a smoother transition to new reference rates. For contracts meeting certain criteria, a change in the contract's reference interest rate would be accounted for as a continuation of that contract rather than the creation of a new contract. This provision applies to loans, debt, leases, and other arrangements. An entity will also be permitted to preserve its hedge accounting when updating its hedging strategies in response to reference rate reform. The guidance will only apply to contracts or hedge accounting relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. |
| ASU 2020-03 – Codification Improvements to Financial Instruments | Various<br>See Summary | Various; see full ASU for transition guidance | ✔ | This ASU amends a wide variety of topics in the codification and represents changes to make the codification easier to understand, eliminate noted inconsistencies, and provide clarification throughout the amended topics.<br>Issues 1, 2, 4 and 5 above are conforming amendments and are effective for public business entities upon the issuance of this ASU. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years beginning after December 15, 2020. Early adoption is permitted. Issue 3 is also a conforming amendment and is effective for fiscal years beginning after December 15, 2019. Issues 6 and 7 affect the guidance in Topic 326 and Topic 842 and these effective dates align with those Topics. |

28. **Topic 606 is effective for private companies and not-for-profit organizations that have not yet issued their financial statements (or made financial statements available for issuance) for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Topic 842 is effective for private companies and private not-for-profit organizations for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Topic 842 is effective for public not-for-profit organizations that have not yet issued their financial statements (or made available for issuance) reflecting the adoption of Topic 842 for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.**

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2020-02 – Financial Instruments-Credit Losses (Topic 326) and Lease (Topic 842) – Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) (SEC Update) | Immediately | Prospectively | N/A | This ASU provides for additional language as a result of SEC Staff Accounting Bulletin No. 119 within Topic 326, Credit Losses and Topic 842, Leases. Under Topic 326, provision 326-20-S99-1 was added to provide guidance on accounting for loan losses by registrants engaged in lending activities subject to Topic 326. Under Topic 842, provision 842-10-S65-1 was added to provide guidance on the effective date for Topic 842 as it relates to public business entities that would not otherwise meet the definition of a public business entity except for a requirement that its financial statements or financial information be included in another entity's filing with the SEC who has adopted Topic 842. |
| ASU 2020-01 – Investments – Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the FASB Emerging Issues Task Force) | Fiscal years beginning after December 15, 2021 | Prospectively | ✔ | This ASU was issued to address concerns over interactions between the measurement alternative provided in Topic 321, Investments – Equity Securities and the equity method of accounting in Topic 323, Investments – Equity Method and Joint Ventures in addition to concerns over the interactions between Topic 312, Topic 323, and Topic 815, Dervivatives and Hedging. Clarification was provided that all entities, immediately before applying or discontinuing the equity method of accounting, should consider observable transactions for the purposes of applying the measurement alternative under Topic 321.The ASU provides clarification that when applying paragraph 815-10-15-141(a) a company should not consider whether, upon settlement or exercise, individually or with other existing investments, the underlying security would be accounted for under Topic 323 or the fair value option in accordance with Topic 825. Instead, a company would evaluate the proper accounting treatment under the remaining characteristics in paragraph 815-10-15-141. |

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2019-11 Codification Improvements to Topic 326, Financial Instruments—Credit Losses | Fiscal years beginning after December 15, 2019, including interim periods within those fiscal years [29] | Modified Retrospective [30] | ✔ [31] | This ASU provides several significant improvements to Topic 326. First, it clarifies that the allowance for credit losses for purchased financial assets with credit deterioration (PCD assets) should include expected recoveries of the amortized cost basis previously written off and expected to be written off by an entity. It also clarified that this amount should not exceed the aggregate amounts of the amortized cost basis previously written off and expected to be written off by an entity. Secondly, it permits entities to adjust the effective interest rate on existing troubled debt restructurings using prepayment assumptions on the date of adoption of Topic 326 rather than the prepayment assumptions in effect immediately before the restructuring. It also clarifies when a method other than the discounted cash flow method is used to estimate expected losses, expected recoveries should not include any amounts that result in an acceleration of the noncredit discount and extends disclosure relief for accrued interest receivable balances to additional relevant disclosures involving amortized cost basis.Further, it clarifies that entities applying the practical expedient to measure the estimate of expected credit losses for financial assets secured by collateral maintenance provisions should assess whether they reasonably expect the borrower to continually replenish collateral securing the financial asset. Entities should also estimate expected credit losses for the unsecured portion of the amortized cost basis. |

29. For entities that have not yet adopted ASU 2106-13, the effective date requirements are the same as those in ASU 2016-13.

30. For entities that have not yet adopted ASU 2106-13, the transition requirements are the same as those in ASU 2016-13.

31. Early adoption is permitted in any interim period after issuance of this ASU as long as the entity has adopted the amendments in ASU 2016-13.

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2019-10 Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates | Credit Losses: Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.<br>Hedging: Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.<br>Leases: Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. | N/A | ✔ | This ASU defers the effective dates for several major accounting standards updates including the following:<br>• Accounting Standards Update No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (Credit Losses)<br>• Accounting Standards Update No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Hedging Activities (Hedging)<br>• Accounting Standards Update No. 2016-02, Leases (Topic 842) (Leases) |
| ASU 2019-09 Financial Services – Insurance (Topic 944): Effective Date | Fiscal years beginning after December 15, 2023 and interim periods within those fiscal years. | N/A | ✔ | This ASU defers the effective dates of the amendments in ASU 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts for all entities. |
| ASU 2019-08 Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers | For entities that have not yet adopted the amendments in ASU 2018-07, fiscal years beginning after December 15, 2019 and interim periods within those fiscal years | Various [32] | ✔ | The amendments in this Update require that an entity measure and classify share-based payment awards granted to a customer by applying the guidance in Topic 718. The amount recorded as a reduction of the transaction price is required to be measured on the basis of the grant-date fair value of the share-based payment award in accordance with Topic 718. The classification and subsequent measurement of the award are subject to the guidance in Topic 718 unless the share-based payment award is subsequently modified, and the grantee is no longer a customer. |

32. If an entity adopts the amendments in this Update in the same fiscal year it adopts the amendments in Update 2018-07, the entity should apply the amendments in this Update through a cumulative-effect adjustment to the opening balance of retained earnings at the beginning of the fiscal year in which it adopted the amendments in Update 2018-07. If an entity adopts the amendments in this Update in a fiscal year after the fiscal year that the entity adopts the amendments in Update 2018-07, the entity should apply the amendments in this Update through a cumulative-effect adjustment to the opening balance of retained earnings at the beginning of either the fiscal year in which it adopted the amendments in Update 2018-07 or the fiscal year in which it adopts the amendments in this Update.

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2019-07 – Codification Updates to SEC Section – Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates | Immediately | Prospectively | N/A | ASU 2019-07 was issued to amend various SEC paragraphs after the issuance of SEC Final Rule Releases No. 33-10532, *Disclosure Update and Simplification*, and Nos. 33-10231 and 33-10442, *Investment Company Reporting Modernization*. The ASU also includes amendments to incorporate other miscellaneous updates to agree the codification to the electronic Code of Federal Regulations. |
| ASU 2019-06 - Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958) – Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities | The amendments are effective upon issuance of this Update (April 2019) | Prospectively | N/A | The amendments in this Update extend the private company alternatives from Topic 350 (Update 2014-02) and Topic 805 (Update 2014-18) to not-for-profit entities. |
| ASU 2019-05 - Financial Instruments—Credit Losses (Topic 326) – Targeted Transition Relief | Fiscal years beginning after December 15, 2019, including interim periods within those fiscal years [33] | Modified-retrospective | ✔ | The amendments in this Update provide entities that have certain instruments within the scope of Subtopic 326-20, Financial Instruments—Credit Losses— Measured at Amortized Cost, with an option to irrevocably elect the fair value option in Subtopic 825-10, Financial Instruments—Overall, applied on an instrument-by-instrument basis for eligible instruments, upon adoption of Topic 326. The fair value option election does not apply to held-to-maturity debt securities. An entity that elects the fair value option should subsequently apply the guidance in Subtopics 820-10, Fair Value Measurement—Overall, and 825-10. |
| ASU 2019-04 – Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments | Various [34] | Various; see full ASU for transition guidance | ✔ | The amendments in this Update represent changes to clarify, correct errors in, or improve the Codification. The amendments should make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. |

33. For entities that have not yet adopted the amendments in Update 2016-13, the effective date and transition methodology for the amendments in this Update are the same as in Update 2016-13. For entities that have adopted the amendments in Update 2016-13, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted in any interim period after the issuance of this Update as long as an entity has adopted the amendments in Update 2016-13.

34. Amendments affecting ASU 2016-13: For entities that have not yet adopted the amendments in Update 2016-13, the effective dates and transition requirements for the amendments related to this Update are the same as the effective dates and transition requirements in Update 2016-13. For entities that have adopted the amendments in Update 2016-13, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Amendments affecting ASU 2017-12: For entities that have not yet adopted the amendments in Update 2017-12 as of the issuance date of this Update, the effective dates and transition requirements for the amendments to Topic 815 are the same as the effective dates and transition requirements in Update 2017-12. For entities that have adopted the amendments in Update 2017-12 as of the issuance date of this Update, the effective date is as of the beginning of the first annual period beginning after the issuance date of this Update. Amendments affecting ASU 2016-01: The amendments in this Update related to Update 2016-01 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2019-03 – Not-for-Profit Entities (Topic 958) – Updating the Definition of Collections | Fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020 | Prospectively | ✔ | The amendments in this Update align the Codification's definition of Collections to the definition in the American Alliance of Museums' Code of Ethics for Museums. The amendments in this Update also modify one of the three conditions that need to be met in order for contributions of works of art, historical treasures, and similar assets to be recognized if the donated items are added to collections. |
| ASU 2019-02 – Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials | Fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. | Prospectively | ✔ | The amendments in this Update align the accounting for production costs of an episodic television series with the accounting for production costs of films by removing the content distinction for capitalization. The amendments also require that an entity reassess estimates of the use of a film for a film in a film group and account for any changes prospectively. The Update also addresses presentation and requires that an entity provide new disclosures about content that is either produced or licensed, and address cash flow classification for license agreements. |
| ASU 2019-01—Leases (Topic 842): Codification Improvements | Fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. | Modified Retrospective [35] | ✔ | This ASU was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing essential information about leasing transactions. Specifically, the amendments in this Update include items that were brought to the Board's attention through interactions with stakeholders and include the following: (1) determining the fair value of the underlying asset by lessors that are not manufacturers and dealers; (2) presentation on the statement of cash flows – sales-types and direct financing leases; and (3) transition disclosures related to Topic 250, Accounting Changes and Error Corrections. |
| ASU 2018-20 – Leases (Topic 842): Narrow-Scope Improvements for Lessors | Effective with ASU 2016-02 [36] | Retrospective or Prospectively | ✔ | This ASU was issued to make targeted improvements to Topic 842 for lessors, specifically as it relates to accounting for sales taxes, certain lessor costs, and variable payments for contracts with lease and nonlease components. |

35. An entity should apply the amendments as of the date that it first applied Topic 842, using the same transition methodology in accordance with paragraph 842-10-65-1(c).

36. For entities that have not adopted Topic 842, the amendments in this Update follow the same effective date and transition requirements in Update 2016-02. For entities that have adopted Topic 842 prior to the issuance of this Update, the amendments in this Update should be applied at the original effective date of Topic 842 for the entity. However, the entity has the option to apply the amendments in either the first reporting period ending after the issuance of this Update or in the first reporting period beginning after the issuance of this Update

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2018-19 – Codification Improvements to Topic 326, Financial Instruments – Credit Losses | Fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. | Modified Retrospective | ✔ [37] | The amendments in this Update clarify that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, Leases. The Update also amends the effective date of the amendments in Update 2016-13 for nonpublic business entities to mitigate transition complexity. |
| ASU 2018-18 – Collaborative Arrangements (Topic 808) – Clarifying the Interaction between Topic 808 and Topic 606 | Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. | Retrospective [38] | ✔ [39] | The amendments in this Update provide guidance on whether certain transactions between collaborative arrangement participants should be accounted for with revenue under Topic 606. In addition, the Update requires that in a transaction with a collaborative arrangement participant that is not directly related to sales to third parties, presenting the transaction together with revenue recognized under Topic 606 is not allowed if the collaborative arrangement participant is not a customer. |
| ASU 2018-17 – Consolidation (Topic 810) – Targeted Improvements to Related Party Guidance for Variable Interest Entities | Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. | Retrospective | ✔ | This Update amends the current guidance for determining whether fees paid to decision makers and service providers in which indirect interests are held through related parties under common control are variable interests. As amended, indirect interests held through related parties in common control arrangements should be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests. In addition, the Update amends and supersedes the private company accounting alternative for leasing arrangements under common control to include all private reporting entities and legal entities that meet certain criteria. |
| ASU 2018-16 – Derivatives and Hedging (Topic 815) – Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes | Effective with ASU 2017-12, as amended. [40] | Prospective | ✔ [41] | The amendments in this Update permit use of the OIS rate based on SOFR as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815 in addition to the UST, the LIBOR swap rate, the OIS rate based on the Fed Funds Effective Rate, and the SIFMA Municipal Swap Rate. |

37. Early adoption is permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.
38. The amendments in this Update should be applied retrospectively to the date of initial application of Topic 606. An entity should recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance sheet of retained earnings of the later of the earliest annual period presented and the annual period that includes the date of the entity's initial application of Topic 606. An entity may elect to apply the amendments in this Update retrospectively either to all contracts or only to contracts that are not completed at the date of initial application of Topic 606. An entity should disclose its election. An entity may elect to apply the practical expedient for contract modifications that is permitted for entities using the modified retrospective transition method in Topic 606.
39. Early adoption is permitted, including adoption in any interim period for periods in which financial statements have not yet been made available for issuance. An entity may not adopt the amendments earlier than its adoption date of Topic 606.
40. For private companies that have already adopted the amendments in ASU 2017-12, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.
41. Early adoption is permitted in any interim period upon issuance of this Update if an entity already has adopted Update 2017-12.

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2018-15 – Intangibles – Goodwill and Other- Internal-Use Software (Subtopic 350-40) | Fiscal years beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021 | Retrospective, Prospective | ✔ | This ASU amends and improves current guidance on accounting for implementation costs of a hosting arrangement that is a service contract. The amendments in this update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). |
| ASU 2018-14 – Compensation – Retirement Benefits – Defined Benefit Plans – General (Topic 715-20); Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans | Fiscal years ending after December 15, 2021 | Retrospective | ✔ | This ASU includes amendments, which remove, modify, and add certain required disclosure requirements in the financial statements of employers that sponsor defined benefit pension or other postretirement plans. |
| ASU 2018-13 – Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement | Fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 | Retrospective | ✔ | The amendments in this Update modify the disclosure requirements on fair value measurements in Topic 820, by removing, modifying, and adding certain required disclosures. In addition, the amendments eliminate the phrase “at a minimum” in regards to an entity’s required disclosures to clarify that materiality is an appropriate consideration when evaluating disclosure requirements and to promote the use of the appropriate exercise of discretion. |
| ASU 2018-12 – Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts | Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022 | Retrospective | ✔ | This ASU amends the guidance in Topic 944 for insurance entities that issue long-duration contracts. Under the Update, the entity is required to review and, if applicable, update the assumptions used to measure cash flows at least annually and update the discount rate assumption at each reporting date. The change in the liability estimate as a result of updating the discount rate assumption is required to be recognized in other comprehensive income. The entity is required to measure all market risk benefits associated with deposit (or account balance) contracts at fair value. The portion of any change in fair value attributable to a change in the instrument specific credit risk is required to be recognized in other comprehensive income. The amendments also simplify the amortization of deferred acquisition costs and other balances amortized in proportion to premiums, gross profits, or gross margins and require that those balances be amortized on a constant level basis over the expected term of the related contracts. |

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2018-11 – Leases (Topic 842): Targeted Improvements | Fiscal years beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020 [42] | Modified Retrospective | ✔ | The amendments in this ASU provide entities with an additional (and optional) transition method to adopt the new leases standard. Under this new transition method, an entity initially applies the new leases standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption consistent with preparers' requests.<br>In addition, the amendments in this Update provide lessors with a practical expedient, by class of underlying asset, to not separate non-lease components from the associated lease component, similar to the expedient provided to lessees. The lessor practical expedient is limited to circumstances in which the non-lease component(s) otherwise would be accounted for under the new revenue recognition guidance and both (1) the timing and pattern of transfer are the same for the non-lease component(s) and associated lease component and (2) the lease component(s), if accounted for separately, would be classified as an operating lease. |
| ASU 2018-10 – Codification Improvements to Topic 842, Leases | Fiscal years beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020 | Modified Retrospective | ✔ | This ASU provides clarification to guidance in Topic 842 and corrects unintended application of the guidance. Notable amendments included in the ASU include (1) Clarification that a lessor should account for the exercise by a lessee of an option to extend or terminate the lease or to purchase the underlying assets as a lease modification unless the exercise of that option by the lessee is consistent with the assumptions that the lessor made in accounting for the lease at the commencement date of the lease; (2) Clarification that the period covered by a lessor-only option to terminate the lease is included in the lease term; (3) Clarification that a lessor should not continue to accrete the unguaranteed residual asset to its estimated value over the remaining lease term to the extent that the lessor sells substantially all of the lease receivable associated with a direct financing lease or a sales-type lease; and (4) Clarification that a rate implicit in the lease of zero should be used when applying the definition of the term rate implicit in the lease results in a rate that is less than zero. |
| ASU 2018-09 – Codification Improvements | Annual periods beginning after December 15, 2019 [43] | Modified Retrospective, Prospective [44] | ✔ | ASU 2018-09 was issued to clarify, correct errors, or make minor improvements to current guidance on various Topics in the Codification. Users should review the entire document to assess any effects that the amendments may have on entities that are within the Update's scope. |

**42. For entities that have adopted Topic 842, the practical expedient may be elected in the first reporting period following the issuance of this update or at original effective date of Topic 842 for that entity.**

**43. Effective date for each amendment within the Update is based on facts and circumstances of each amendment. Some amendments are effective upon issuance. See detail of ASU 2018-09 for effective dates of each amendment.**

**44. Transition requirements vary based on the individual amendment. See guidance in ASU 2018-09 for transition requirements of each amendment within the Update.**

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2018-08 – Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made | Annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019 (resource receiver);<br>Annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020 (resource provider) | Modified Prospective [45], Retrospective | ✔ | ASU 2018-08 was issued to clarify and improve current guidance for contributions received and made. The amendments should assist entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions subject to other guidance, and determining whether a contribution is conditional. These amendments are designed to reduce diversity in practice when applying current guidance. |
| ASU 2018-07 – Compensation–Stock Compensation, Improvements to Nonemployee Share-Based Payment Accounting | Fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020 | Modified Retrospective | ✔ | This ASU expands the scope of FASB ASC Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees, currently addressed primarily in ASC Subtopic 505-50, Equity–Equity-Based Payments to Nonemployees. This ASU also seeks to more closely align the accounting for nonemployee awards to those with employees. Early adoption is permitted, but not prior to adoption of Topic 606 – Revenue from Contracts with Customers. |
| ASU 2018-06 – Codification Improvements to Topic 942, Financial Services – Depository and Lending | Immediately | N/A | N/A | This ASU replaces the guidance within FASB ASC 942 – 740, Financial Services – Depository and Lending – Income Taxes, specifically related to Circular 202 (Accounting for Net Deferred Taxes), as that guidance has been withdrawn by the OCC and is no longer applicable. This ASU is specifically applicable to depository and lending institutions. The ASU is effective upon inclusion in the FASB Codification. |

45. Under the modified prospective basis, in the first set of financial statements following the effective date, the amendments should be applied to agreements that are either (1) not completed as of the effective date; or (2) entered into after the effective date. A completed agreement is an agreement for which all the revenue or expense has been recognized before the effective date.

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2018-03 – Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10); Recognition and Measurement of Financial Assets and Financial Liabilities | Effective date is the same as the effective date in ASU 2016-01 | N/A | ✔ [46] | This ASU consist of amendments to clarify certain aspects of the guidance issued in ASU 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities as follows:<br>1. Equity Securities without a Readily Determinable Fair Value—Discontinuation<br>2. Equity Securities without a Readily Determinable Fair Value—Adjustments<br>3. Forward Contracts and Purchased Options<br>4. Presentation Requirements for Certain Fair Value Option Liabilities<br>5. Fair Value Option Liabilities Denominated in a Foreign Currency<br>6. Transition Guidance for Equity Securities without a Readily Determinable Fair Value |
| ASU 2018-02 – Income Statement – Reporting Comprehensive Income (Topic 220); Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income | Fiscal years beginning after December 15, 2018, and interim periods within those fiscal years | Retrospective [47] | ✔ | This ASU allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Act.  Additionally, the ASU eliminates the stranded tax effects resulting from the Act and is intended to improve the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The amendments in this Update also require certain disclosures about stranded tax effects. |
| ASU 2018-01 – Leases (Topic 842) Land Easement Practical Expedient for Transition to Topic 842 | Effective with ASU 2016-02 | N/A | ✔ | The amendments in this ASU permit an entity to elect an optional transition practical expedient to not evaluate under Topic 842 land easements that exist or expired before the entity's adoption of Topic 842 and that were not previously accounted for as leases under Topic 840.  An entity that elects this practical expedient should apply the practical expedient consistently to all of its existing or expired land easements that were not previously accounted for as leases under Topic 840. |

46. All entities may early adopt this ASU for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, as long as they have adopted ASU 2016-01.

47. The amendments in this Update should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recognized.

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2017-15 - Codification Improvements to Topic 995, U.S. Steamship Entities: Elimination of Topic 995 | Fiscal years beginning after December 15, 2018, and interim periods within those fiscal years | Modified Retrospective | ✔ | This ASU eliminates Topic 995, U.S. Steamship Entities, from the FASB Codification as the guidance is no longer considered relevant. The guidance in Topic 995 on transitioning to the requirements of Topic 740 is no longer relevant because statutory funds deposited on or before December 15, 1992, have reached the 25-year limit. Entities also should disclose the amounts and types of temporary differences for which a deferred tax liability had not previously been recognized. |
| ASU 2017-14 - Income Statement - Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606) | Immediately | N/A | N/A | This ASU amends the Codification to incorporate SEC Staff Accounting Bulletin (SAB) No. 116 and SEC Interpretive Release on Vaccines for Federal Government Stockpiles (SEC Release No. 33-10403) that bring existing SEC staff guidance into conformity with the FASB's adoption of and amendments to ASC Topic 606, Revenue from Contracts with Customers.<br>SEC Interpretive Release on Vaccines for Federal Government Stockpiles (SEC Release No. 33-10403) was issued to update its 2005 Commission Guidance Regarding Accounting for Sales of Vaccines and Bioterror Countermeasures to the Federal Government for Placement into the Pediatric Vaccine Stockpile or the Strategic National Stockpile. |
| ASU 2017-13 - Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments | Effective with ASU 2014-09 and ASU 2016-02, both as amended | Full or Modified Retrospective (ASU 2014-09)<br><br>Modified Retrospective (2016-02) | ✔ | This ASU amends the early adoption date option for certain companies related to the adoption of ASU 2014-09 and ASU 2016-02. Both of the below entities may still adopt using the public company adoption guidance in the related ASUs, as amended.<br>The SEC staff stated the SEC would not object to a public business entity that otherwise would not meet the definition of a public business entity except for a requirement to include or the inclusion of its financial statements or financial information in another entity's filing with the SEC adopting ASC Topic 606 for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.<br>The SEC staff stated the SEC would not object to a public business entity that otherwise would not meet the definition of a public business entity except for a requirement to include or the inclusion of its financial statements or financial information in another entity's filing with the SEC adopting ASC Topic 842 for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. |

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2017-12 - Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities | Fiscal years beginning after December 15, 2019, and interim periods beginning after December 15, 2020 | Modified Retrospective [48] | ✔ | This ASU is intended to improve and simplify accounting rules around hedge accounting and also help financial statement users better understand an entity's risk exposures and how hedging strategies are used to manage those exposures. The new standard refines and expands hedge accounting for both financial and nonfinancial risk components and aligns the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. Its provisions create more transparency around how economic results are presented, both on the face of the financial statements and in the footnotes, for investors and analysts. |
| ASU 2017-11 - Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Non-controlling Interests with a Scope Exception | The amendments in Part I of this Update are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.<br><br>The amendments in Part II of this Update do not require any transition guidance because those amendments do not have an accounting effect | Retrospective [49] | ✔ | This ASU was issued to address narrow issues identified as a result of the complexity associated with applying generally accepted accounting principles (GAAP) for certain financial instruments with characteristics of liabilities and equity. There are two parts to the update. The first addresses the complexity of accounting for certain financial instruments with down round features while the second addresses the difficulty of navigating Topic 480, Distinguishing Liabilities from Equity. The amendments related to the second part replace an indefinite deferral on certain guidance in Topic 480 with a scope exception, but ultimately does not have an accounting effect. |

48. For cash flow and net investment hedges existing at the date of adoption, an entity should apply a cumulative-effect adjustment related to eliminating the separate measurement of ineffectiveness to accumulated other comprehensive income with a corresponding adjustment to the opening balance of retained earnings as of the beginning of the fiscal year that an entity adopts the amendments in this Update. The amended presentation and disclosure guidance is required only prospectively.

49. For part one, an entity can elect to adopt the amendments either: (1) Retrospectively to outstanding financial instruments with a down round feature by means of a cumulative-effect adjustment to the statement of financial position as of the beginning of the first fiscal year and interim period(s) in which the pending content that links to this paragraph is effective; or (2) Retrospectively to outstanding financial instruments with a down round feature for each prior reporting period presented in accordance with the guidance on accounting changes in paragraphs 250-10-45-5 through 45-10. Part two does not have any transition guidance as there is not accounting effect.

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2017-10 - Service Concession Arrangements (Topic 853): Determining the Customer of the Operation Services | Fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019<br><br>If the entity is a not-for-profit that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, and an employee benefit plan that files or furnishes financial statements with the SEC, the amendments in this update are effective for fiscal year beginning after December 15, 2017 including interim periods within those fiscal years | Full or Modified Retrospective | ✔ | This ASU was issued to provide guidance on how an operating entity determines the customer of the operation services for transactions within the scope of Topic 853, Service Concession Arrangements. A service concession arrangement is an arrangement between a grantor and an operating entity whereby the operating entity will operate the grantor's infrastructure for a specified period of time. The operating entity also may maintain the infrastructure, and it also may be required to provide periodic capital-intensive maintenance to enhance or extend the life of the infrastructure. |
| ASU 2017-08 - Receivables - Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities | Annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020 | Modified Retrospective | ✔ | This ASU was issued in order to shorten the amortization period for certain callable debt securities held at a premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. |

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2017-07 - Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost | Annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019 | Prospective and Retrospective [50] | ✔ | This ASU was issued to improve the presentation of net periodic pension cost and net periodic postretirement benefit cost. The amendments require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. If a separate line item or items are used to present the other components of net benefit costs, that line item or items must be appropriately described. If a separate line item or items are not used, the line item or items used in the income statement to present the other components of net benefit cost must be disclosed.<br>The amendments also allow only the service cost component to be eligible for capitalization when applicable (e.g., as a cost of internally manufactured inventory or a self-constructed asset). |
| ASU 2017-06 - Plan Accounting: Defined Benefit Pension Plans (Topic 960); Defined Contribution Pension Plans (Topic 962); Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting | Fiscal years beginning after December 15, 2018 | Retrospective | ✔ | This ASU was issued to improve the usefulness of the information reported to users of employee benefit plan financial statements and to provide clarity to preparers and auditors.<br>The amendments in this ASU require a plan's interest in that master trust and any changes in that interest to be presented in separate line items in the statement of net assets available for benefits and in the statement of changes in net assets available for benefits, respectively.<br>The amendments also remove the requirement to disclose the percentage interest in the master trust for plans with divided interests and require that all plans disclose the dollar amount of their interest in each of those general types of investments.<br>The amendments require all plans to disclose: (a) their master trust's other asset and liability balances; and (b) the dollar amount of the plan's interest in each of those balances.<br>Lastly, the amendments eliminate redundant investment disclosures (e.g., those required by Topic 815 and 820) relating to 401(h) account assets. |

**50. The amendments in this ASU should be applied retrospectively for the presentation of the service cost component and the other components of net periodic pension cost and net periodic postretirement benefit cost in the income statement and prospectively, on and after the effective date, for the capitalization of the service cost component of net periodic pension cost and net periodic postretirement benefit in assets. The amendments allow a practical expedient that permits an employer to use the amounts disclosed in its pension and other postretirement benefit plan note for the prior comparative periods as the estimation basis for applying the retrospective presentation requirements. Disclosure that the practical expedient was used is required.**

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2017-05 - Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets | Annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual periods beginning after December 15, 2019<br><br>Note: entities should adopt concurrently with 2014-09 | Full or Modified Retrospective | ✔ | This ASU was issued to clarify that a financial asset is within the scope of Subtopic 610-20 if it meets the definition of an in substance nonfinancial asset. The amendments also define the term "in substance financial asset." The amendments clarify that nonfinancial assets within the scope of Subtopic 610-20 may include nonfinancial assets transferred within a legal entity to a counterparty. For example, a parent may transfer control of nonfinancial assets by transferring ownership interests in a consolidated subsidiary. A contract that includes the transfer of ownership interests in one or more consolidated subsidiaries is within the scope of Subtopic 610-20 if substantially all of the fair value of the assets that are promised to the counterparty in a contract is concentrated in nonfinancial assets. The amendments also clarify that an entity should identify each distinct nonfinancial asset or in substance nonfinancial asset promised to a counterparty and derecognize each asset when a counterparty obtains control of that asset. |

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2017-04 - Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment | All other entities, including Not-for-Profit entities, should adopt for their annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2021 | Prospective | ✔ [51] | This ASU was issued in order to simplify the subsequent measurement of goodwill by eliminating the Step 2 goodwill impairment test. Under the amendments in this ASU, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity will then recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, however the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable.<br>The amendments in this ASU also eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and therefore the same impairment assessment now applies to all reporting units. An entity is required to disclose the amount of goodwill allocated to each reporting unit with a zero or negative carrying amount of net assets.<br>The ASU did not affect the option to perform the qualitative assessment (Step 0) for a reporting unit to determine if the quantitative impairment test is necessary and private companies will still have the option to elect the PCC alternative on goodwill. |
| ASU 2017-01 - Business Combinations (Topic 805): Clarifying the Definition of a Business | Annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual periods beginning after December 15, 2019 | Prospective | ✔ [52] | ASU 2017-01 was issued to clarify the definition of a business in order to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This ASU provides a screen whereby a transaction will be accounted for as an asset purchase (or disposal) if substantially all of the fair value of the gross assets acquired (disposed) is concentrated in a single identifiable asset or a group of similar identifiable assets. If the screen is not met, the entity will evaluate whether it is a business acquisition under revised criteria. The amendments in this ASU are expected to cause fewer transactions to be identified as businesses. While this ASU will apply to all entities and industries, it is expected to particularly impact the real estate and pharmaceutical/biotech industries. |

51. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.

52. Early application of the amendments in this Update is allowed as follows: (a) For transactions for which the acquisition date occurs before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued or made available for issuance. (b) For transactions in which a subsidiary is deconsolidated or a group of assets is derecognized that occur before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued or made available for issuance.

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2016-20 - Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers | Fiscal years beginning after December 15, 2018, including interim periods within those years<br>Note: entities should adopt concurrently with 2014-09 | Full or Modified Retrospective | ✔ | This ASU is intended to improve the operability and understandability of the implementation guidance by providing clarifications and practical expedients on the following issues: loan guarantee fees, contract costs, provisions for losses on construction-type and production-type contracts, scope of topic 606, disclosure of remaining performance obligations, disclosure of prior period performance obligations, contract modifications, contract asset versus receivable, refund liability, advertising costs, fixed odds wagering contracts in the casino industry and cost capitalization for advisors to private and public funds. |
| ASU 2016-19 - Technical Corrections and Improvements | Amendments under ASC 350 - Intangibles - Goodwill and Other are effective for annual reporting periods beginning after December 15, 2017, and interim periods beginning after December 15, 2018<br>Amendments under ASC 820 - Fair Value Measurements are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years | Most of the amendments do not require transition guidance and are effective immediately. See ASU for individual transition guidance. | ✔ | ASU 2016-19 was issued to provide incremental improvements to GAAP through clarifying the Accounting Standards Codification. The amendments generally fall into one of the types of categories listed below:<br>1. Amendments related to differences between original guidance (e.g., FASB Statements, EITF issues, etc.) and the Codification.<br>2. Guidance clarification and reference corrections that provide clarification through updating wording, correcting references, or a combination of both.<br>3. Simplification amendments that streamline or simplify the Codification through minor structural changes to headings or minor edits of text to improve the usefulness and understandability of the Codification.<br>4. Minor improvements to the guidance that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most. |
| ASU 2016-18 - Statement of Cash Flows (Topic 230): Restricted Cash | Fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 | Retrospective | ✔ | ASU 2016-18 was issued to address diversity in practice in the classification and presentation of change in restricted cash on the statement of cash flows under Topic 230. The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. |

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2016-16 - Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory | Annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual periods beginning after December 15, 2019 | Modified Retrospective | ✔ | ASU 2016-16 was issued to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. The initiative is designed to reduce the complexity in accounting standards. |
| ASU 2016-15 – Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments | Fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 | Retrospective | ✔ | ASU 2016-15 was issued to address diversity in practice of how certain cash receipts and cash payments are currently presented and classified in the statement of cash flows. |
| ASU 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities | Fiscal years beginning after December 15, 2017 and for interim periods within fiscal years beginning after December 15, 2018 | Retrospective | ✔ | The updates in this ASU are intended to provide more information and greater clarity in the financial statements and notes on a not-for-profit entity's financial performance, cash flows, and liquidity. |
| ASU 2016-13 – Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments | Fiscal years beginning after December 15, 2020, and for interim periods within those fiscal years beginning after December 15, 2021 | Modified Retrospective | ✔ [53] | The ASU is intended to improve financial reporting by requiring timely recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The ASU requires the measurement of all expected credit losses for financial assets not recorded at fair value based on historical experience, current conditions, and reasonable and supportable forecasts. |
| ASU 2016-12 – Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients | Annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual periods beginning after December 15, 2019<br>Note: entities should adopt concurrently with 2014-09 | Full or Modified Retrospective | ✔ | This ASU is intended to improve the operability and understandability of the implementation guidance by providing the clarifications and practical expedients on the following issues: assessing collectability criterion in paragraph 606-10-25-1(e) and accounting for contracts that do not meet the criteria for step one of the revenue recognition model, presentation of sales taxes and other similar taxes collected from customers, noncash considerations, contract modifications at transition, completed contracts at transition. |

53. Early adoption is permitted for all organizations for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018.

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU No. 2016-11 - Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting | Fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019<br><br>Note: entities should adopt concurrently with 2014-09 | Full or Modified Retrospective | ✔ | This ASU rescinds the following SEC Staff Observer comments that are codified in Topic 605, Revenue Recognition, and Topic 932, Extractive Activities— Oil and Gas, effective upon adoption of Topic 606, Revenue from Contracts with Customers. Specifically, registrants should not rely on the following SEC Staff Observer comments upon adoption of Topic 606:<br>• Revenue and Expense Recognition for Freight Services in Process, which is codified in paragraph 605-20-S99-2;<br>• Accounting for Shipping and Handling Fees and Costs, which is codified in paragraph 605-45- S99-1;<br>• Accounting for Consideration Given by a Vendor to a Customer (including Reseller of the Vendor's Products), which is codified in paragraph 605-50- S99-1; and<br>• Accounting for Gas-Balancing Arrangements (i.e., use of the "entitlements method), which is codified in paragraph 932-10-S99-5. |
| ASU 2016-10 – Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing | Annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual periods beginning after December 15, 2019<br><br>Note: entities should adopt concurrently with 2014-09 | Full or Modified Retrospective | ✔ | The amendments in this ASU provide clarification to two components of Topic 606: 1) identifying performance obligations, and 2) licensing implementation guidance. |
| ASU 2016-09 – Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting | Fiscal years beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018 | Prospective, Modified Retrospective, or Retrospective | ✔ | The amendments in this ASU are intended to improve the accounting for employee share-based payments and affect all organizations that issue share-based payment awards to their employees. Several aspects of the accounting for share-based payment award transactions are simplified, including: (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. |
| ASU 2016-08 – Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net) | Annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual periods beginning after December 15, 2019<br><br>Note: entities should adopt concurrently with 2014-09 | Full or Modified Retrospective | ✔ | The amendments are intended to improve the implementation guidance on principal versus agent considerations by amending existing illustrative examples and adding new examples. |

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2016-06 - Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments | Fiscal years beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018 | Modified Retrospective | ✔ | The amendments clarify the required steps to be taken when assessing whether the economic characteristics and risks of call/put options are clearly and closely related to those of their debt hosts - which is one of the criteria for bifurcating an embedded derivative. |
| ASU 2016-05 - Derivatives and Hedging (Topic 815): Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships | Fiscal years beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018 | Full or Modified Retrospective | ✔ | The amendments clarify that a change in the counterparty to a derivative instrument designated as a hedging instrument does not, in and of itself, require designation of that hedging relationship provided that all other hedge accounting criteria remain the same. |
| ASU 2016-04 - Liabilities — Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products | Fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019 | Full or Modified Retrospective | ✔ | The amendments, which apply to entities that offer certain prepaid stored value products, provide a narrow scope exception to the guidance in Subtopic 405-20 that requires breakage for those liabilities be accounted for consistent with the breakage guidance in Topic 606 Revenue from Contracts with Customers. There is no specific guidance for the derecognition of prepaid stored-value product liabilities. |
| ASU 2016-02 – Leases (Topic 842) | Fiscal years beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020 | Modified Retrospective | ✔ | All leases (except for short-term leases) will be required to be recognized on the lessee's balance sheet at commencement date as a lease liability for the obligation of lease payments and a right-of-use asset for the right to use/control a specified asset for the lease term. Lessor accounting is largely unchanged. |
| ASU 2016-01 – Financial Instruments Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities | Fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019 | Prospective | ✔ [54] | This ASU amends various guidance such as requiring equity investments to be measured at fair value and any changes in fair value to be recognized in the income statement, public entities to use the exit price notion to measure the fair value of financial instruments for disclosure purposes, and separate presentation of financial assets and liabilities by measurement category and form of financial asset. It also eliminates the requirement to disclose the methods and assumptions used to estimate fair value of financial instruments measured at amortized cost. |
| ASU 2015-17 – Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes | Fiscal years beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018 | Prospective or Retrospective | ✔ | The amendments in this ASU require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. |

**54. Early appliation by public business entities to financial statements of fiscal years or interim periods that have not yet been issued or, by all other entities, that have not yet been made available for issuance of the following amendments in this Update are permitted as of the beginning of the fiscal year of adoption: (a) An entity should present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk if the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments or (b) Entities that are not public business entities are not required to apply the fair value of financial instruments disclosure guidance in the General Subsection of Section 825-10-50. Except for the early application guidance discussed here, early adoption of the amendments in this ASU is not permitted.**

## Appendix C – Accounting Standards Affecting Private Companies in 2019 and beyond

| Accounting Standards Update | Private Company Effective Date | Transition | Early Adopt | Summary |
|---|---|---|---|---|
| ASU 2014-09: Revenue from Contracts with Customers (Topic 606) & ASU 2015-14 – Revenue From Contracts With Customers (Topic 606): Deferral of the Effective Date | See ASU 2020-05 for revised effective date information. | Full or Modified Retrospective | ✔ | See ASU 2020-05 for further deferral of the effective date for ASU 2014-09 for certain entities. |
| ASU 2014-09: Revenue from Contracts with Customers (Topic 606) | See ASU 2020-05 for revised effective date information. | Full or Modified Retrospective | ✔ | On May 28, 2014, the FASB and the International Accounting Standards Board (the IASB) (collectively "the boards) issued their sweeping revenue recognition standard, Revenue from Contracts with Customers. This multiyear joint project with the IASB received more than 1,500 comment letters throughout the process. The core principle of the new standard is that "an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services." The standard provides a five-step process for recognizing revenue: 1. Identify the contract with a customer, 2. Identify the performance obligations in the contract, 3. Determine the transaction price, 4. Allocate the transaction price to the performance obligations in the contract, and 5. Recognize revenue when (or as) the entity satisfies a performance obligation. |

## Appendix D – SEC Final Rules

The following table presents certain SEC Rules with effective and compliance dates during 2019 and beyond. Please refer to the individual SEC rules in their entirety for additional guidance.

| SEC Final Rules | Summary |
|---|---|
| 33-10786 – Amendments to Financial Disclosures about Acquired and Disposed Businesses | The Securities and Exchange Commission is adopting amendments to the Commission's rules and forms to improve their application, assist registrants in making more meaningful determinations of whether a subsidiary or an acquired or disposed business is significant, and to improve the disclosure requirements for financial statements relating to acquisitions and dispositions of businesses, including real estate operations and investment companies. The changes are intended to improve for investors the financial information about acquired or disposed businesses, facilitate more timely access to capital, and reduce the complexity and costs to prepare the disclosure. The final rules are effective on January 1, 2021. |
| 34-88890 – Amendments to the National Market System Plan Governing the Consolidated Audit Trail | The Securities and Exchange Commission is adopting amendments to the national market system plan governing the consolidated audit trail. The amendments impose public transparency requirements on the self-regulatory organizations that are participants in the plan. Under the amendments, plan participants are required to publish and file with the Securities and Exchange Commission a complete implementation plan for the consolidated audit trail and quarterly progress reports. The amendments also establish financial accountability provisions. The amendments are effective 30 days after publication in the Federal Register. |
| 34-88616 – Definition of "Covered Clearing Agency" | The Securities and Exchange Commission is adopting amendments to the definitions of "covered clearing agency," "central securities depository services," and "sensitivity analysis" pursuant to Section 17A of the Securities Exchange Act of 1934 (Exchange Act) and the Payment, Clearing, and Settlement Supervision Act of 2010 (Clearing Supervision Act), enacted in Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). These amendments are effective July 13, 2020. |
| 33-10771 – Securities Offering Reform for Closed-End Investment Companies | The Securities and Exchange Commission is adopting rules that will modify the registration, communications, and offering processes for business development companies (BDCs) and other closed-end investment companies under the Securities Act of 1933. As directed by Congress, the Commission is adopting rules that will allow these investment companies to use the securities offering rules that are already available to operating companies. These rules will extend to closed-end investment companies offering reforms currently available to operating company issuers by expanding the definition of "well-known seasoned issuer" to allow these investment companies to qualify; streamlining the registration process for these investment companies, including the process for shelf registration; permitting these investment companies to satisfy their final prospectus delivery requirements by filing the prospectus with the Commission; and permitting additional communications by and about these investment companies during a registered public offering. In addition, the Commission is amending certain rules and forms to tailor the disclosure and regulatory framework to these investment companies. These amendments also will modernize the Commission's approach to securities registration fee payment by requiring closed-end investment companies that operate as "interval funds" to pay securities registration fees using the same method as mutual funds and exchange-traded funds and extend the ability to use this payment method to issuers of certain continuously offered, exchange-traded products (ETPs). Additionally, the Commission is expanding the ability of certain registered closed-end funds or BDCs that conduct continuous offerings to make changes to their registration statements on an immediately effective basis or on an automatically effective basis a set period of time after filing. Lastly, the Commission is adopting certain structured data reporting requirements, including for filings on the form providing annual notice of securities sold pursuant to the rule under the Investment Company Act of 1940 that prescribes the method by which certain investment companies (including mutual funds) calculate and pay registration fees. This final rule is effective August 1, 2020, except for amendatory instructions 21, 22, 30, 31, 33, 34, 41, 42, and 45 which are effective August 1, 2021. |

## Appendix D – SEC Final Rules

| SEC Final Rules | Summary |
|---|---|
| 34- 88365 – Amendments to the Accelerated and Large Accelerated Filer Definitions | The Securities and Exchange Commission (SEC) adopted amendments to the accelerated filer and large accelerated filer definitions in Exchange Act Rule 12b-2. The amendments in the rule exclude from the accelerated and large accelerated filer definitions an issuer that is eligible to be a smaller reporting company and had annual revenues of less than $100 million in the most recent fiscal year for which audited financial statements are available. (Business development companies will be excluded in analogous circumstances);increase the transition thresholds for an accelerated filer becoming a non-accelerated filer from $50 million to $60 million and for a large accelerated filer to becoming an accelerated filer from $500 million to $560 million; add a revenue test to the transition thresholds for exiting both accelerated and large accelerated filer status; and add a check box to the cover page of annual reports on Forms 10-K, 20-F, and 40-F to indicate whether an ICFR auditor attestation is included in the filing. This final rule is effective 30 days after publication in the Federal Register and apply to annual report filing due on or after the effective date. |
| 33-10765 – Updated Disclosure Requirements and Summary Prospectus for Variable Annuity and Variable Life Insurance Contracts | The Securities and Exchange Commission is adopting rule and form amendments intended to help investors make informed investment decisions regarding variable annuity and variable life insurance contracts. The amendments modernize disclosures by using a layered disclosure approach designed to provide investors with key information relating to the contract's terms, benefits, and risks in a concise and more reader-friendly presentation, with access to more detailed information available online and electronically or in paper format on request. New rule 498A under the Securities Act of 1933 will permit a person to satisfy its prospectus delivery obligations under the Securities Act for a variable annuity or variable life insurance contract by sending or giving a summary prospectus to investors and making the statutory prospectus available online. The rule also will consider a person to have met its prospectus delivery obligations for any portfolio companies associated with a variable annuity or variable life insurance contract if the portfolio company prospectuses are posted online. To implement the new disclosure framework, we are also amending the registration forms for variable annuity and variable life insurance contracts to update and enhance the disclosures to investors in these contracts, and to implement the proposed summary prospectus framework, and adopting amendments to our rules that will require variable contracts to use the Inline eXtensible Business 2 Reporting Language (Inline XBRL) format for the submission of certain required disclosures in the variable contract statutory prospectus. The Commission is also taking the position that if an issuer of a discontinued contract that is discontinued as of July 1, 2020 that provides alternative disclosures does not file post-effective amendments to update a variable contract registration statement and does not provide updated prospectuses to existing investors, this would not provide a basis for enforcement action so long as investors are provided with the alternative disclosures or modernized alternative disclosures described below. We are also adopting certain technical and conforming amendments to our rules and forms, including amendments to rules relating to variable life insurance contracts, and rescinding certain related rules and forms.This final rule is effective July 1, 2020, except as specifically defined in the rule. |
| 33-10762 – Financial Disclosures about Guarantors and Issuers of Guaranteed Securities and Affiliates Whose Securities Collateralize a Registrant's Securities | This final rule amends financial disclosure requirements for guarantors and issuers of guaranteed securities registered or being registered, and issuers' affiliates whose securities collateralize securities registered or being registered in Regulation S-X to improve those requirements for both investors and registrants. The changes are intended to provide investors with material information given the specific facts and circumstances, make the disclosures easier to understand, and reduce the costs and burdens to registrants. By reducing the costs and burdens of compliance, issuers may be encouraged to offer guaranteed or collateralized securities on a registered basis, thereby affording investors protection they may not be provided in offerings conducted on an unregistered basis. In addition, by making it less burdensome and less costly for issuers to include guarantees or pledges of affiliate securities as collateral when they structure debt offerings, the revisions may increase the number of registered offerings that include these credit enhancements, which could result in a lower cost of capital and an increased level of investor protection. This final rule is effective January 4, 2021. |

## Appendix D – SEC Final Rules

| SEC Final Rules | Summary |
|---|---|
| IA -5454 – Exemptions from Investment Adviser Registration for Advisers to Certain Rural Business Investment Companies | This final rule amends the definition of the term “venture capital fund” and the private fund adviser exemption under the Investment Advisers Act of 1940 to reflect in SEC rules exemptions from registration for investment advisers who advise rural business investment companies (RBICs). These exemptions were enacted as part of the RBIC Advisers Relief Act of 2018, which amended Advisers Act section 203(l), which exempts from investment adviser registration any adviser who solely advises venture capital funds, by stating that RBICs are venture capital funds for purposes of the exemption. Therefore, the SEC is amending the definition of the term “venture capital fund” to include RBICs. The RBIC Advisers Relief Act also amended Advisers Act section 203(m), which exempts from investment adviser registration any adviser who solely advises private funds and has assets under management in the United States of less than $150 million, by excluding RBIC assets from counting towards the $150 million threshold. Therefore, the SEC is amending the definition of the term “assets under management” in the private fund adviser exemption to exclude the assets of RBICs. This final rule was effective March 10, 2020. |
| 33-10757 – Delegation of Authority to the General Counsel of the Commission | The Securities and Exchange Commission (Commission) is revising regulations with respect to the delegations of authority to the Commission’s General Counsel. The revisions are a result of the Commission’s experience with its bankruptcy program and they are intended to conserve Commission resources by delegating to staff the discretion to file objections in bankruptcy cases with respect to the frequently recurring issue of non-debtor thirdparty releases. The revisions will expedite and enhance the effectiveness of the Commission’s bankruptcy program by enabling staff to meet bankruptcy court deadlines that affect issues important to the CommissionThis final rule was effective March 2, 2020. |
| 33-10749 -Adoption of Updated EDGAR Filer Manual | The SEC has adopted updates to the EDGAR Filer Manual and related rules. The updates reflect changes in the EDGAR Filing Manual Volume I and II. Updates include revisions to Form ATS-N submission types to provide filers with a textbox to explain when orders in the NMS Stock ATS can be routed from the ATS and additional instructions for tagging Document Entity Identifier data in submissions that contain XBRL. The EDGAR system was upgraded on January 27, 2020 and the updated EDGAR Filer Manual revisions were effective February 19, 2020. |
| 33-10709 Adoption of Updated EDGAR Filer Manual | The Securities and Exchange Commission (the Commission) is adopting revisions to the Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) Filer Manual (EDGAR Filer Manual” or “Filer Manual) and related rules. The EDGAR system was upgraded on September 30, 2019. The rule was effective October 24, 2019. |
| 33-10699 Solicitations of Interest Prior to a Registered Public Offering | The SEC is adopting a new communications rule under the Securities Act of 1933 that permits issuers to engage in oral or written communications with certain potential investors, either prior to or following the filing of a registration statement, to determine whether such investors might have an interest in a contemplated registered securities offering. The rule was effective December 3, 2019. |
| 33-10695 Exchange-Traded Funds | The Securities and Exchange Commission (the Commission) is adopting a new rule under the Investment Company Act of 1940 (the Investment Company Act or the Act) that will permit exchange-traded funds (ETFs) that satisfy certain conditions to operate without the expense and delay of obtaining an exemptive order. In connection with the final rule, the Commission will rescind certain exemptive relief that has been granted to ETFs and their sponsors. The Commission also is adopting certain disclosure amendments to Form N-1A and Form N-8B-2 to provide investors who purchase and sell ETF shares on the secondary market with additional information regarding ETF trading and associated costs, regardless of whether such ETFs are structured as registered open-end management investment companies (open-end funds) or unit investment trusts (UITs). Finally, the Commission is adopting related amendments to Form N-CEN. The final rule and form amendments are designed to create a consistent, transparent, and efficient regulatory framework for ETFs that are organized as open-end funds and to facilitate greater competition and innovation among ETFs. The Commission also is adopting technical amendments to Form N-CSR, Form N-1A, Form N-8B-2, Form N-PORT, and Regulation S-X. The rule was effective December 23, 2019. |

## Appendix D – SEC Final Rules

| SEC Final Rules | Summary |
|---|---|
| 34-87005 Recordkeeping and Reporting Requirements for Security-Based Swap Dealers, Major Security-Based Swap Participants, and Broker-Dealers | In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the Securities and Exchange Commission (Commission), pursuant to the Securities Exchange Act of 1934 (Exchange Act), is adopting recordkeeping, reporting, and notification requirements applicable to security-based swap dealers (SBSDs) and major security-based swap participants (MSBSPs), securities count requirements applicable to certain SBSDs, and additional recordkeeping requirements applicable to broker-dealers to account for their security-based swap and swap activities. The Commission also is making substituted compliance available with respect to recordkeeping, reporting, and notification requirements under Section 15F of the Exchange Act and the rules thereunder. The rule was effective February 14, 2020. |
| BHCA-7 Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds | The OCC, Board, FDIC, SEC, and CFTC are adopting amendments to the regulations implementing section 13 of the Bank Holding Company Act. Section 13 contains certain restrictions on the ability of a banking entity and nonbank financial company supervised by the Board to engage in proprietary trading and have certain interests in, or relationships with, a hedge fund or private equity fund. These final amendments are intended to provide banking entities with clarity about what activities are prohibited and to improve supervision and implementation of section 13. The rule was effective January 1, 2020. |
| 34-86982 Technical Amendments to Update Cross-References to Commission's FOIA Regulations | The Securities and Exchange Commission (SEC" or "Commission) is adopting technical amendments to update cross-references to reflect amendments to the Commission's Freedom of Information Act (FOIA) regulations published as a final rule on June 28, 2018. The rule was effective September 26, 2019. |
| 33-10648 – Auditor Independence With Respect to Certain Loans or Debtor-Creditor Relationships | The Securities and Exchange Commission (Commission) is adopting amendments to its auditor independence rules to refocus the analysis that must be conducted to determine whether an auditor is independent when the auditor has a lending relationship with certain shareholders of an audit client at any time during an audit or professional engagement period. The amendments focus the analysis on beneficial ownership rather than on both record and beneficial ownership; replace the existing 10 percent bright-line shareholder ownership test with a "significant influence" test; add a "known through reasonable inquiry" standard with respect to identifying beneficial owners of the audit client's equity securities; and exclude from the definition of "audit client," for a fund under audit, any other funds, that otherwise would be considered affiliates of the audit client under the rules for certain lending relationships. The amendments will more effectively identify debtor-creditor relationships that could impair an auditor's objectivity and impartiality, as opposed to certain more attenuated relationships that are unlikely to pose such threats, and thus will focus the analysis on those borrowing relationships that are important to investors. The final rules were effective October 3, 2019. |
| 34-86175 – Capital, Margin, and Segregation Requirements for Security-Based Swap Dealers and Major Secuirty-Based Swap Participants and Capital and Segregation Requirements for Broker-Dealers | In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the Securities and Exchange Commission (Commission), pursuant to the Securities Exchange Act of 1934 (Exchange Act), is adopting capital and margin requirements for security-based swap dealers (SBSDs) and major security-based swap participants (MSBSPs), segregation requirements for SBSDs, and notification requirements with respect to segregation for SBSDs and MSBSPs. The Commission also is increasing the minimum net capital requirements for broker-dealers authorized to use internal models to compute net capital (ANC broker-dealers), and prescribing certain capital and segregation requirements for broker-dealers that are not SBSDs to the extent they engage in security-based swap and swap activity. The Commission also is making substituted compliance available with respect to capital and margin requirements under Section 15F of the Exchange Act and the rules thereunder and adopting a rule that specifies when a foreign SBSD or foreign MSBSP need not comply with the segregation requirements of Section 3E of the Exchange Act and the rules thereunder. The final rule was effective October 21, 2019. |

## Appendix D – SEC Final Rules

| SEC Final Rules | Summary |
|---|---|
| BHCA-6 – Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds | The OCC, Board, FDIC, SEC, and CFTC are adopting final rules to amend the regulations implementing the Bank Holding Company Act's prohibitions and restrictions on proprietary trading and certain interests in, and relationships with, hedge funds and private equity funds in a manner consistent with the statutory amendments made pursuant to certain sections of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The EGRRCPA amendments and final rules exclude from these prohibitions and restrictions certain firms that have total consolidated assets equal to $10 billion or less and total trading assets and liabilities equal to five percent or less of total consolidated assets. The EGRRCPA amendments and the final rules also revise the revisions applicable to the naming of a hedge fund or private equity fund to permit an investment adviser that is a banking entity to share a name with the fund under certain circumstances. These final rules are effective on the date of publication in the federal register. |
| 33-10618A – FAST Act Modernization and Simplification of Regulation S-K (Technical Correction) | This document makes technical corrections to certain amendments to the Commission's disclosure rules and forms adopted in Release No. 33-10618, which was published in the Federal Register on April 2, 2019. In particular, this document reinstates certain item headings in registration statement forms under the Securities Act of 1933 that were inadvertently changed, relocates certain amendments to the correct item numbers in these forms and reinstates text that was inadvertently removed, corrects a portion of the exhibit table in Item 601(a) of Regulation S-K to make it consistent with the regulatory text of the amendments, and corrects certain typographical errors and a cross-reference in the regulatory text of the amendments. The amendments in this document were effective August 13, 2019. |
| 34-86590 – Amendments to Rules for Nationally Recognized Statistical Rating Organizations | The amendments in this final rule are for nationally recognized statistical rating organizations (NRSROs) under the Securities Exchange Act of 1934 (Exchange Act). The amendments provide an exemption from a rule for NRSROs with respect to credit ratings if the issuer of the security or money market instrument referred to in the rule is not a U.S. person, and the NRSRO has a reasonable basis to conclude that all offers and sales of such security or money market instrument will occur outside the United States. The amendments in this final rule were effective September 13, 2019. |
| 34-85437 – Public Company Accounting Oversight Board Hearing Officers | The Commission is revising its regulations with respect to the method by which hearing officers of the Public Company Accounting Oversight Board (Board" or "PCAOB) are appointed and removed from office. Specifically, the Commission is adopting a rule expressly requiring that the appointment or removal of a PCAOB hearing officer be subject to Commission approval. The rule was effective April 3, 2019. |
| 34-86073 – Amendment to Single Isuser Exemption for Broker-Dealers | The SEC issued a final rule to amend an exemptive provision in the broker-dealer annual reporting rule under the Securities Exchange Act of 1934 (Exchange Act). The exemption provides that a broker-dealer is not required to engage an independent public accountant to certify the broker-dealer's annual reports filed with the SEC, if among other things, the securities business of the broker-dealer has been limited to acting as a broker (agent) for a single issuer soliciting subscriptions for securities of that issuer. This final rule was effective August 13, 2019. |
| 33-10645 – Adoption of Updated EDGAR Filer Manual | The SEC issued a final rule to extend the effective dates of the 2018 amendments to the Regulation National Market System Rule 606 to October 1, 2019. This extension is intended to give broker-dealers sufficient time to implement the necessary changes to the system requirements in order to comply with the amended regulations. The compliance date remains May 20, 2019 for all other amendments not subject to this extension. The final rule became effective April 30, 2019. |

## Appendix D – SEC Final Rules

| SEC Final Rules | Summary |
|---|---|
| 34-86032 – Form CRS Relationship Summary; Amendments to Form ADV | The Securities and Exchange Commission (the Commission or the SEC) is adopting new rules and forms as well as amendments to its rules and forms, under both the Investment Advisers Act of 1940 (Advisers Act) and the Securities Exchange Act of 1934 (Exchange Act) to require registered investment advisers and registered broker-dealers (together, "firms) to provide a brief relationship summary to retail investors. The relationship summary is intended to inform retail investors about: (i) the types of client and customer relationships and services the firm offers; (ii) the fees, costs, conflicts of interest, and required standard of conduct associated with those relationships and services; (iii) whether the firm and its financial professionals currently have reportable legal or disciplinary history; and (iv) how to obtain additional information about the firm. The rules were effective September 10, 2019. |
| 34-86031 – Regulation Best Interest: The Broker-Dealer Standard of Conduct | The Securities and Exchange Commission (the Commission) is adopting a new rule under the Securities Exchange Act of 1934 (Exchange Act), establishing a standard of conduct for broker-dealers and natural persons who are associated persons of a broker-dealer (unless otherwise indicated, together referred to as "broker-dealer) when they make a recommendation to a retail customer of any securities transaction or investment strategy involving securities (Regulation Best Interest). The rule was effective September 10, 2019. |
| 34-85714 – Disclosure of Order Handling Information | The Commission is extending the compliance date for the recently adopted amendments to Rule 606 of Regulation National Market System (Regulation NMS) under the Securities Exchange Act of 1934 (Exchange Act), which require additional disclosures by broker-dealers to customers concerning the handling of customer orders. Specifically, the Commission is extending the compliance date for the recently adopted amendments to Rule 606. Following September 30, 2019, broker-dealers must begin to collect the information required by Rules 606(a) and 606(b) as amended. The compliance date remains May 20, 2019 for the amendments to Rule 605. The Commission is extending the compliance date for the recently adopted amendments to Rule 606 in order to give broker-dealers additional time to develop, program, and test for compliance with the new and amended requirements of the rule. |
| 33-10618 – FAST Act Modernization and Simplification of Regulation S-K | The Commission is adopting amendments to modernize and simplify certain disclosure requirements in Regulation S-K and related rules and forms. The Commission is also adopting parallel amendments to several rules and forms applicable to investment companies and investment advisers, including amendments that would require certain investment company filings to be submitted in HyperText Markup Language format. The final rule was effective May 2, 2019. |
| 33-10615 – Adoption of Updated EDGAR Filer Manual | The Commission is adopting revisions to the EDGAR Filer Manual and related rules. The EDGAR system was scheduled to be upgraded on March 11, 2019. The final rule was effective April 1, 2019. |
| 33-10593 – Disclosure of Hedging by Employees, Officers, and Directors | The Commission is adopting a rule to implement a provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The new rule requires a company to describe any practices or policies it has adopted regarding the ability of its employees (including officers) or directors to purchase financial instruments, or otherwise engage in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of equity securities granted as compensation, or held directly or indirectly by the employee or director. The new rule requires a company to describe the practices and policies and the categories of persons they affect. If a company does not have any such practices or policies, the company must disclose that fact or state that hedging transactions are generally permitted. The new disclosure is required in a proxy statement or information statement relating to an election of directors. The final rule was effective March 8, 2019. |
| 34-84875 – Transaction Fee Pilot for NMS Stocks | The Commission is adopting a new rule of Regulation National Market System under the Securities and Exchange Act of 1934 to conduct a Transaction Fee Pilot for National Market System stocks to study the effects that exchange transaction fee-and-rebate pricing models may have on order routing behavior, execution quality, and market quality. The final rule is effective April 22, 2019 through December 29, 2023. |

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| 33-10591 – Amendments to Regulation A | The Commission is adopting amendments to Regulation A under the Securities Act of 1933. Regulation A provides an exemption from registration under the Securities Act for offerings of securities up to $50 million. As mandated by the Economic Growth, Regulatory Relief, and Consumer Protection Act, the amendments revise Regulation A to permit entities subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 to use the exemption and provide that entities meeting the reporting requirements of the Exchange Act will be deemed to have met the reporting requirements of Regulation A. The amendments also make conforming changes to Form 1-A. The final rule was effective January 31, 2019. |
| 34-84858 – Applications by Security-Based Swap Dealers or Major Security-Based Swap Participants for Statutorily Disqualified Associated Persons to Effect or be Involved in Effecting Security-Based Swaps | The Commission is adopting Rule of Practice 194, which provides a process for a registered security-based swap dealer or major security-based swap participant (collectively, "SBS Entity) to make an application to the Commission for an order permitting an associated person that is a natural person who is subject to a statutory disqualification to effect or be involved in effecting security-based swaps on behalf of the SBS Entity. Rule of Practice 194 also provides an exclusion for an SBS Entity from the prohibition in Exchange Act Section 13F(b)(6) with respect to associated persons that are not natural persons. Rule of Practice 194 also provides that, subject to certain conditions, an SBS Entity may permit an associated person that is a natural person who is subject to a statutory disqualification to effect or be involved in effecting security-based swaps on its behalf, without making an application pursuant to the rule, where the Commission, the Commodity Futures Trading Commission, a self-regulatory organization, or a registered futures organization has granted a prior application or otherwise granted relief from the statutory disqualification with respect to that associated person. The final rule was effective April 22, 2019. |
| 33-10585 – Adoption of Updated EDGAR Filer Manual | The Commission is adopting revisions to the Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) Filer Manual and related rules. The EDGAR system was scheduled to be upgraded on December 17, 2018 and January 28, 2019. The final rule was effective December 26, 2018. The incorporation by reference of the EDGAR Filer Manual is approved by the Director of the Federal Register as of December 26, 2018. |
| 33-10580 – Covered Investment Fund Research Report | The Commission is adopting a new rule under the Securities Act of 1933 to establish a safe harbor for an unaffiliated broker or dealer participating in a securities offering of a covered investment fund to publish or distribute a covered investment fund research report. If the conditions in the rule are satisfied, the publication or distribution of a covered investment fund research report would be deemed not to be an offer for sale or offer to sell the covered investment fund's securities for purposes of sections 2(a)(10) and 5(c) of the Securities Act of 1933. The Commission is also adopting a new rule under the Investment Company Act of 1940 to exclude a covered investment fund research report from the coverage of section 24(b) of the Investment Company Act, except to the extent the research report is otherwise not subject to the content standards in self-regulatory organization rules related to research reports. We are also adopting a conforming amendment to rule 101 of Regulation M, and a technical amendment to Form 12b-25. This rule was effective January 14, 2019 except that amendatory instruction 4 amending Sec. 230.139b(a)(1)(i)(A)(1) was effective May 1, 2020. |

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| 33-10577 – Form N-1A; Correction | This document makes technical corrections to several amendments to Form N-1A, which the Commission adopted as part of three rulemakings: Investment Company Reporting Modernization, which was published in the Federal Register on November 18, 2016; Optional Internet Availability of Investment Company Shareholder Reports, which was published in the Federal Register on June 22, 2018; and Investment Company Liquidity Disclosure, which was published in the Federal Register on July 10, 2018. This document is being published to correct the paragraph designations that appeared in the amendatory instructions preceding certain of the form amendments that the Commission adopted as part of each of these rulemakings. This document makes technical corrections only to the paragraph designations that appear in the amendatory instructions preceding these form amendments. This document does not make any substantive changes (i.e., changes except corrections to typographical errors) to the text of the form amendments themselves. This rule is effective as of the date of the publication in the Federal Register, except:<br>• The revisions to Item 27(d)(3) of Form N-1A are effective May 1, 2020;<br>• Item 27(d)(7) of Form N-1A (referenced in 17 CFR 239.15A and 274.11A) is effective January 1, 2019, through December 31, 2021; and<br>• Item 27(d)(7) is removed effective January 1, 2022. |
| 34-84541 – Regulation of NMS Stock Alternative Trading Systems | The Commission adopted amendments to the regulatory requirements in Regulation ATS under the Securities Exchange Act of 1934 applicable to alternative trading systems (ATSs) that trade National Market System (NMS) stocks (hereinafter referred to as “NMS Stock ATSs), which included, among other items, Form ATSN. This document is being published to correct a citation contained in the adopted language of Part III, Item 15.a of Form ATS-N. This amendment became effective November 13, 2018. |
| 34-84528 – Disclosure of Order Handling Information | The SEC is adopting amendments to Regulation National Market System (Regulation NMS) under the Securities Exchange Act of 1934 (Exchange Act) to require additional disclosures by broker-dealers to customers regarding the handling of their orders. The SEC is adding a new disclosure requirement which requires a broker-dealer, upon request of its customer, to provide specific disclosures related to the routing and execution of the customer’s NMS stock orders submitted on a not held basis for the prior six months, subject to two de minimis exceptions. The SEC also is amending the current order routing disclosures that broker-dealers must make publicly available on a quarterly basis to pertain to NMS stock orders submitted on a held basis, and the SEC is making targeted enhancements to these public disclosures. In connection with these new requirements, the SEC is amending Regulation NMS to include certain newly defined and redefined terms that are used in the amendments. The SEC also is amending Regulation NMS to require that the public order execution report be kept publicly available for a period of three years. Finally, the SEC is adopting conforming amendments and updating cross-references as a result of the rule amendments being adopted today. The final rule was effective January 18, 2019. |
| 33-10570 – Modernization of Property Disclosures for Mining Registrants | The SEC is adopting amendments to modernize the property disclosure requirements for mining registrants, and related guidance, currently set forth in Item 102 of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934 and in Industry Guide 7. The amendments are intended to provide investors with a more comprehensive understanding of a registrant’s mining properties, which should help them make more informed investment decisions. The amendments also will more closely align the SEC’s disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards. In addition, the SEC is rescinding Industry Guide 7 and relocating the SEC’s mining property disclosure requirements to a new subpart of Regulation S-K. Registrants engaged in mining operations must comply with the final rule amendments for the first fiscal year beginning on or after January 1, 2021. |
| 33-10566a – Adoption of Updated EDGAR Filing Manual | The SEC adopted revisions to the Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) Filer Manual and related rules. The EDGAR system was scheduled to be upgraded on October 1, 2018. This revision became effective on November 5, 2018. |

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| 33-10537 – Delegation of Authority to General Counsel of the Commission | The SEC is revising Subpart A, Part 200 of Title 17 with respect to the delegations of authority to the Commission's General Counsel. The rule was effective August 31, 2018. |
| 34-83885 – Amendments to Municipal Securities Disclosure | The SEC adopted amendments to the Municipal Securities Disclosure Rule (Rule 15c2-12) under the Securities Exchange Act of 1934 (Exchange Act). The amendments add transparency to the municipal securities market by increasing the amount of information that is publicly disclosed about material financial obligations incurred by issuers and obligated persons. The amendments revise the list of event notices that a broker, dealer, or municipal securities dealer acting as an underwriter in a primary offering of municipal securities with an aggregate principal amount of $1,000,000 or more must reasonably determine that an issuer or an obligated person has undertaken, in a written agreement or contract for the benefit of holders of the municipal securities, to provide to the Municipal Securities Rulemaking Board (MSRB). The rule was effective October 30, 2018. |
| 33-10532 – Disclosure Update and Simplification | The SEC adopted amendments to certain disclosure requirements that have become redundant, duplicative, overlapping, outdated, or superseded, in light of other Commission disclosure requirements, U.S. Generally Accepted Accounting Principles (U.S. GAAP), or changes in the information environment. The amendments are intended to facilitate the disclosure of information to investors and simplify compliance without significantly altering the total mix of information provided to investors. The amendments in this rule were effective November 5, 2018. |
| 34-83663 – Regulation of NMS Stock Alternative Trading Systems; Correction to page 530 to include legend on Form ATS-N | The SEC adopted amendments to the regulatory requirements in Regulation ATS under the Securities Exchange Act of 1934 (Exchange Act) applicable to alternative trading systems (ATSs) that trade National Market System (NMS) stocks (hereinafter referred to as "NMS Stock ATSs), including so called "dark pools". The SEC is adopting a new form, Form ATS-N, which will require NMS Stock ATSs to disclose information about their manner of operations, the broker-dealer that operates the ATS (broker-dealer operator), and the ATS-related activities of the broker-dealer operator and its affiliates. Second, as amended, Regulation ATS will require public posting of certain Form ATS-N filings on the Commission's website, which will be accomplished through the Commission's Electronic Data Gathering, Analysis, and Retrieval system (EDGAR) and require each NMS Stock ATS that has a website to post on its website a direct URL hyperlink to the Commission's website. Third, the amendments to Regulation ATS provide a process for the Commission to review Form ATS-N filings and, after notice and opportunity for hearing, declare an NMS Stock ATS's Form ATS-N ineffective. Fourth, Regulation ATS, as amended, will require all ATSs subject to Regulation ATS to place in writing its safeguards and procedures to protect subscribers' confidential trading information. These amendments were effective October 9, 2018. |
| 33-10520 – Rule 701 – Exempt Offerings Pursuant to Compensatory Arrangements | This amendment provides an exemption from registration for securities issued by non-reporting companies pursuant to compensatory arrangements. As mandated by the Economic Growth, Regulatory Relief, and Consumer Protection Act (the Act), the amendment revises a rule to increase from $5 million to $10 million the aggregate sales price or amount of securities sold during any consecutive 12-month period in excess of which the issuer is required to deliver additional disclosures to investors. This amendment was effective July 23, 2018. |
| 33-10518 – Adoption of Updated EDGAR Filer Manual | The SEC is adopting revisions to the Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) Filer Manual and related rules. The rule was effective on July 17, 2018. |

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| 33-10514 – Inline XBRL Filing of Tagged Data | The SEC is adopting amendments to require the use of the Inline eXtensible Business Reporting Language (XBRL) format for the submission of operating company financial statement information and fund risk/return summary information. In addition, the SEC is adopting the elimination of the 15 business day XBRL filing period for fund risk/return summaries. These amendments are intended to improve the data's usefulness, timeliness, and quality, benefiting investors, other market participants, and other data users and to decrease, over time, the cost of preparing the data for submission to the Commission. These amendments will also eliminate the requirement for operating companies and funds to post "Interactive Data Files" (i.e., machine-readable computer code that presents information in XBRL format) on their websites and terminate the Commission's voluntary program for the submission of financial statement information interactive data that is currently available only to investment companies and certain other entities. The rule was effective September 17, 2018. |
| IC-33142 – Investment Company Liquidity Disclosure | The SEC is adopting a new requirement that funds disclose information about the operation and effectiveness of their liquidity risk management program in their reports to shareholders. The Commission in turn is rescinding the requirement in Form N-PORT under the Investment Company Act of 1940 that funds publicly disclose aggregate liquidity classification information about their portfolios. In addition, the Commission is adopting amendments to Form N-PORT that will allow funds classifying the liquidity of their investments pursuant to their liquidity risk management programs to report multiple liquidity classification categories for a single position under specified circumstances. The Commission also is adding a new requirement to Form N-PORT that funds and other registrants report their holdings of cash and cash equivalents. This rule was effective September 10, 2018. |
| 33-10513 – Amendments to Smaller Reporting Company Definition | The SEC is adopting amendments to the definition of "smaller reporting company" as used in the rules and regulations. The amendments expand the number of registrants that qualify as smaller reporting companies and are intended to reduce compliance costs for these registrants and promote capital formation, while maintaining appropriate investor protections. As amended, the definition of "smaller reporting company" will include registrants with a public float of less than $250 million, as well as registrants with annual revenues of less than $100 million for the previous year and either no public float or a public float of less than $700 million. The SEC is also including amendments to the definitions of "accelerated filer" and "large accelerated filer" to preserve the existing thresholds in those definitions. Qualifying as a "smaller reporting company" will no longer automatically make a registrant a non-accelerated filer. This rule was effective September 10, 2018. |
| 34-83506 – Amendments to the Commission's Freedom of Information Act Regulations | The SEC is adopting amendments to the Commission's regulations under the Freedom of Information Act (FOIA). The Commission is amending the FOIA regulations to reflect changes required by the FOIA Improvement Act of 2016 (Improvement Act) and to clarify, update, and streamline the regulations. These amendments were effective July 30, 2018. |
| Release 33-10506, Optional Internet Availability of Investment Company Shareholder Reports | In this final rule, the SEC adopted new rule 30e-3 under the Investment Company Act of 1940 and made amendments to rule 498 under the Securities Act of 1933. Under rule 30e-3, registered investment companies are given an optional delivery method to transmit shareholder reports through a website indicated in a notice to investors. Amendments to rule 498 include a temporary transition period in which companies who elect this new transition method will be required to inform investors of the change for a two year period. The rule is effective January 1, 2019, except for certain amendments to instructions on certain forms, which are effective January 1, 2021 and 2022. |
| Release 34-83325, Technical Amendments to Rules of Practice and Rules of Organization; Conduct and Ethics; and Information and Requests | The SEC issued this final rule to announce that it will no longer be publishing its order releases in a weekly SEC docket, but will instead be posting all Commission materials on the public SEC website. The rule was effective June 1, 2018. |

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| Release 33-10486, Amendments to Forms and Schedules to Remove Provision of Certain Personally Identifiable Information | In this final rule, the SEC approved the elimination of sections of certain forms where filers or natural persons previously disclosed certain personally identifiable information, including social security numbers. The rule was effective May 14, 2018. |
| Release 33-10467, Adoption of Updated EDGAR Filer Manual | The SEC has made various upgrades to the Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) filer manual and related rules. These upgrades went into effect on March 16, 2018. |
| Release 33-7424A, Amendments to Forms and Schedules to Remove Voluntary Provision of Social Security Numbers | In this final rule, the SEC has removed the portions of forms relating to various acts requesting filers that are natural persons to furnish social security numbers. The rule was effective January 30, 2018. |
| Release 33-10450, Treatment of Certain Communications Involving Security-Based Swaps That May Be Purchased Only By Eligible Contract Participants | The SEC has issued this final rule to inform that certain communications involving certain security-based swaps such as publication or distribution of price quotes do not constitute “offers” for the purposes of Section 5 of the Securities Act of 1933 (the Act) and as such do not require registration under the Act or otherwise be required to qualify for an exemption under the Act. The rule also applies to brokers, dealers, or security-based swap dealer’s communications that meet the definition of a “research report” under Rule 139(d). The rule was effective January 16, 2018. |
| Release IA-4839, Exemptions from Investment Adviser Registration for Advisers to Small Business Investment Companies | The SEC has issued a final rule, Exemptions from Investment Adviser Registration for Advisers to Small Business Investment Companies, to allow certain investment advisers to small business investment companies an exemption from registration with the SEC under the Investment Advisers Act of 1940 (Advisers Act). Specifically, the rule updates the definition of “venture capital funds” within the Advisers Act to include “small business investment companies” and amends the definition of “assets under management” to exclude the assets of “small business investment companies”. The amendments were effective March 12, 2018. |
| Release 33-10442, Investment Company Reporting Modernization | The Securities and Exchange Commission (the Commission) is adopting a temporary final rule that requires funds in larger fund groups to maintain in their records the information that is required to be included in Form N-PORT, in lieu of filing reports with the Commission, until April 2019. As a result, larger funds groups were required to begin submitting reports on Form N-PORT on the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system by April 30, 2019, and smaller fund groups will be required to begin submitting reports on Form N-PORT by April 30, 2020. This rule is effective January 16, 2018, until March 31, 2026. |
| Release 33-10234, Investment Company Swing Pricing | The SEC adopted amendments to rule 22c-1 under the Investment Company Act to permit a registered open-end management investment company (open-end fund” or “fund) (except a money market fund or exchange-traded fund), under certain circumstances, to use “swing pricing”. “Swing pricing” is defined as the process of adjusting the fund’s net asset value (NAV) per share to effectively pass on the costs stemming from shareholder purchase or redemption activity to the shareholders associated with that activity.<br><br>Additionally, the Commission adopted amendments to rule 31a-2 to require funds to preserve certain records related to swing pricing as well as other amendments to Form N-1A and Regulation S-X and a new item in Form N-CEN, all of which address a fund’s use of swing pricing. This rule was effective November 19, 2018. |

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| Release 33-10233, Investment Company Liquidity Risk Management Programs | The Securities and Exchange Commission adopted new rules, a new form and amendments to a rule and forms intended to encourage effective liquidity risk management in the open-end investment company industry. The rules are designed to reduce the risk that funds will be unable to meet their redemption obligations and mitigate dilution of the interests of fund shareholders.<br><br>Under the new rules and amendments, the Commission now requires each registered open-end management investment company, including open-end exchange-traded funds (ETFs) but not including money market funds, to establish a liquidity risk management program and requires principle underwriters and depositors of unit investment trusts to engage in a limited liquidity review. Additionally, the Commission is also adopting amendments to Form N-1A regarding fund policy disclosures on the redemption of fund shares and new rule 30b1-10, amendments to Forms N-PORT and N-CEN, and Form N-LIQUID which will require a fund to confidentially notify the Commission of certain liquidity measures and liquidity risk management practices.<br><br>This rule was effective January 17, 2017 except for the amendments to Form N-CEN which became effective June 1, 2018. |
| Release 34-78167, Disclosure of Payments by Resource Extraction Issuers | These rules require an issuer to disclose payments made to the U.S. federal government or to a foreign government if the issuer engages in the commercial development of oil, natural gas, or minerals, and is required to file annual reports with the SEC under the Securities Exchange Act. The issuer must also disclose payments made by a subsidiary or entity controlled by the issuer. Specifically, resource extraction issuers must disclose payments that are made to further the commercial development of oil, natural gas, or minerals (as defined in the rules), are not de minimis (i.e., either equal to or exceed $100,000 in either a single payment or in a series of payments), and include payments related to taxes; royalties; fees (including license fees); production entitlements; bonuses; dividends; infrastructure improvements; and if required by law or contract, community and social responsibility payments. Resource extraction issuers are required to comply with the rules starting for their fiscal years ending on or after September 30, 2018. |