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Accounting, financial reporting, and regulatory developments

FOURTH QUARTER 2022

In this update, we highlight some of the more important 2022 fourth quarter accounting, financial reporting, and regulatory developments that may impact both public and private companies. The content is not meant to be all-inclusive.

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Accounting guidance

Accounting guidance issued in fourth quarter 2022

ASU 2022-06: Reference Rate Reform (Topic 848) — Deferral of the Sunset Date of Topic 848 extends the sunset date in Topic 848 until Dec. 31, 2024. Topic 848 provides temporary relief related to the transition away from LIBOR as a reference rate and originally included a sunset date of Dec. 31, 2022. However, the UK Financial Conduct Authority announced in March 2021 the intended cessation date for the overnight, one-month, three-month, six-month, and 12-month USD LIBOR rates as June 30, 2023, which was beyond the original sunset date of Topic 848. The new amendment extends the sunset date to Dec. 31, 2024, to allow entities to continue taking advantage of the temporary relief as the transition away for LIBOR is completed.

ASU 2022-05: Financial Services — Insurance (Topic 944) — Transition for Sold Contracts updates the transition guidance for the upcoming changes to the accounting for long-duration insurance contracts. Prior to the issuance of ASU 2022-05, entities were required to apply the standard retrospectively to all contracts as of the beginning of the earliest period presented (or the beginning of the prior fiscal year if early adopted). The update allows entities to make a policy election on a transaction-by-transaction basis to not apply the new guidance for long-duration insurance contracts if the following criteria are met as of the effective date of the standard:

- *The insurance contracts have been derecognized because of a sale or disposal of individual or a group of contracts or legal entities.*
- *The entity has no significant continuing involvement with the derecognized contracts.*

The new guidance on long-duration insurance contracts will be effective for SEC registrants, excluding those that qualify as smaller reporting entities, for fiscal years beginning after Dec. 15, 2022. For all other entities, the guidance will be effective for fiscal years beginning after Dec. 15, 2024.

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FASB proposes amendments to lease accounting standard for arrangements between entities under common control

The FASB's new lease accounting standard, ASC Topic 842, will be effective for calendar year-end entities that haven't previously adopted the new guidance for their 2022 annual financial statements. As part of its post-implementation review activities, FASB received feedback about challenges related to accounting for lease arrangements between entities under common control. In response, FASB issued an exposure draft to address two common issues entities are facing related to common control lease arrangements.

The first issue relates to identifying the terms and conditions to be considered when determining whether a lease exists and the classification and accounting for the lease. Topic 842 requires entities to account for leases between related parties based on the legally enforceable terms. The proposed guidance would allow private companies and not-for-profit entities (that aren't conduit bond obligors) to elect a practical expedient to use the written terms and conditions of an arrangement between entities under common control when determining whether the lease exists and the classification and accounting for that lease.

The second issue relates to the accounting for leasehold improvements associated with leases between entities under common control. The proposed guidance would change the accounting for leasehold improvements by requiring entities to amortize leasehold improvements associated with leases from entities under common control over the economic life of the leasehold improvement rather than over the lease term. If a lessee were to lose control of those leasehold improvements prior to the end of the economic life of the assets, then the entity would account for that as a transfer of assets between entities under common control.

As of the date this document was published, the proposed guidance hasn't been finalized, and entities are required to continue to apply the existing guidance in ASC Topic 842 until a final ASU (if any) is published by FASB.

Regulatory update

SEC chief accountant discusses auditor's responsibility for fraud detection

In October 2022, SEC Acting Chief Accountant Paul Munter made a statement regarding the auditor's responsibility for fraud detection. He stated that "… independent auditors play an important gatekeeper role in supporting high-quality financial reporting and the protection of investors. A critical aspect of this role is an independent auditor's responsibilities with respect to fraud detection during the financial statement audit, or, in other words, the auditor's use of the fraud lens."

Mr. Munter's statement addressed:

- *The auditor's responsibilities with respect to fraud, including observations of some auditor shortcomings.*
- *How the auditor's responsibilities are incorporated currently in the PCAOB standards, including the PCAOB's quality control standards.*
- *Reminders on good practices.*

Compensation recovery listing standards and disclosure rules

In October 2022, the SEC adopted rules to require securities exchanges to adopt listing standards that require issuers to develop and implement a policy providing for the recovery of erroneously awarded incentive-based compensation received by current or former executive officers. The final rules require a listed issuer to file the policy as an exhibit to its annual report and to include disclosures related to its recovery policy and recovery analysis where a recovery is triggered.

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The new rules implement Section 10D of the Securities Exchange Act of 1934, a provision added by the Dodd-Frank Wall Street Reform and Consumer Protection Act. New Exchange Act Rule 10D-1 directs national securities exchanges and associations to establish listing standards that require a listed issuer to:

- *Adopt and comply with a written policy for the recovery of erroneously awarded incentive-based compensation received by its current or former executive officers in the event it is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the securities laws, during the three completed fiscal years immediately preceding the date that the issuer is required to prepare an accounting restatement.*
- *Disclose those compensation recovery policies in accordance with SEC rules, including providing the information in tagged data format.*

The rules also require specific disclosure of the listed issuer's policy on recovery of incentive-based compensation and information about actions taken pursuant to such recovery policy. The amendments also require all listed issuers to:

- *File their written recovery policies as exhibits to their annual reports.*
- *Indicate by check boxes on their annual reports whether the financial statements included in the filings reflect correction of an error to previously issued financial statements and whether any of those error corrections are restatements that required a recovery analysis.*
- *Disclose any actions they have taken pursuant to such recovery policies.*

The final rules become effective 60 days following publication of the adopting release in the Federal Register. Exchanges will be required to file proposed listing standards no later than 90 days following publication of the release in the Federal Register, and the listing standards must be effective no later than one year following such publication. (Publication occurred Nov. 28, 2022.) Issuers subject to such listing standards will be required to adopt a recovery policy no later than 60 days following the date on which the applicable listing standards become effective.

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Rules to enhance proxy voting disclosure by registered investment funds and require disclosure of "say-on-pay" votes for institutional investment managers

In November 2022, the SEC adopted amendments to Form N-PX to enhance the information mutual funds, exchange-traded funds, and certain other registered funds report about their proxy votes. The amendments are intended to make these funds' proxy voting records more usable and easier to analyze, improve investors' ability to monitor how their funds vote, and compare different funds' voting records. The rulemaking will also now require institutional investment managers to disclose how they voted on executive compensation, or so-called "say-on-pay" matters, which fulfills one of the remaining rulemaking mandates under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The new rules and form amendments will be effective for votes occurring on or after July 1, 2023, with the first filings subject to the amendments due in 2024.

SEC staff issues guidance on crypto assets

In December 2022, the SEC's Division of Corporation Finance (Corp Fin) issued a "Sample Letter to Companies Regarding Recent Developments in Crypto Asset Markets" for companies that may be affected by widespread disruptions in the crypto asset market.

Corp Fin noted that recent bankruptcies and financial distress among crypto asset market participants have caused widespread disruption in those markets and companies may have disclosure obligations under the federal securities laws related to the direct or indirect impact that these events and collateral events have had or may have on their business. It was noted that, in addition to the information expressly required to be included in a statement or report, companies must disclose "such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading."

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The sample illustrative letter contains sample comments that Corp Fin may issue to companies depending on their particular facts and circumstances. The sample comments don't address an exhaustive list of the issues that companies should consider.

Corp Fin recently established the Office of Crypto Assets (OCA) within its Disclosure Review Program to provide more specialized support for this emerging area.

Updates to compliance and disclosure interpretations

During the fourth quarter, the staff in Corp Fin updated its Compliance and Disclosure Interpretations (C&DI), related to the following:

Revised beneficial ownership reporting:

- *Exchange Act Section 16 and Related Rules and Forms (updated Oct. 7, 2022) Section 109. Rule 16a-1 — Definition of Terms (new Questions 109.02 and 209.06)*
- *Exchange Act Sections 13(d) and 13(g) and Regulation 13D-G Beneficial Ownership Reporting (updated Oct. 7, 2022) Section 105. Rule 13d-3 — Determination of Beneficial Ownership (new Question 105.07)*

SEC staff revised these C&DIs to reflect Corp Fin's views on certain aspects of the calculation and reporting of beneficial ownership status.

New questions for certain non-GAAP financial measures:

- *100.01*
- *100.04–100.06*
- *102.10(a)(b)(c)*

This updated guidance provides views on when certain non-GAAP financial measures may violate Rule 100(b) of Regulation G.

Proxy rules:

- *SEC staff added new questions 139.04-139.06 that provide various views on Rule 14a-19.*

Impact of critical audit matters

In December 2022, the PCAOB published a second report on the initial impact of its critical audit matter (CAM) requirements (the first report was released in October 2020). Key findings of the follow-up report include:

- *Average number of CAMs per audit report has declined over time, and the proportion of audit reports that communicate a single CAM has increased.*
- *Investor awareness and use of CAMs continues to develop.*
- *PCAOB staff hasn't found evidence of significant unintended consequences from auditors' implementation of the CAM requirements.*

For more information, see the post-implementation review page on the PCAOB's website.

Center for Audit Quality: 2022 Audit Committee Transparency Barometer Report

Over the past nine years, the Center for Audit Quality (CAQ) and Ideagen's Audit Analytics have tracked disclosure of several key areas of audit committee oversight within the proxy statements of companies in the S&P Composite 1500 (S&P 1500). The results of the ninth annual Audit Committee Transparency Barometer reflect a trend of increased transparency in several areas by audit committee members. The report also identifies areas where audit committees can provide more tailored disclosures.

The report began tracking disclosure of audit committee oversight related to environmental, social, and governance (ESG) in the current year. Audit committees will likely continue to have an increased role in ESG oversight given their expertise and experience in oversight of internal controls and financial reporting.

The report includes examples of effective disclosures and questions to consider when preparing the audit committee disclosures. The CAQ noted that it encourages audit committees to continue to improve disclosures and enhance transparency of the critical oversight work they perform.

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Center for Audit Quality's second annual analysis of S&P 500 ESG reporting

In December 2022, the CAQ published its updated analysis of the publicly available ESG data for companies listed on the S&P 500 for periods ending in 2020.

The analysis identified a few trends:

- *Most S&P 500 companies publish annual sustainability or ESG reports. These companies continue to reference commonly used standards and frameworks for their reporting, with the Sustainability Accounting Standards Board (SASB) Standard utilized most often, followed by the Global Reporting Initiative (GRI) Standards and the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.*
- *There was an increase in the number of companies receiving assurance over this information with over 60% of S&P 500 companies that issued an ESG report disclosing the data received some form of assurance or verification from a third party. As demand for assurance from regulators and others continues to grow, the CAQ expects this number to continue to increase.*
- *15% of the assurance providers engaged were accounting firms. The CAQ expects the type of assurance provider companies engaged could evolve as more companies disclose ESG information and decide to seek assurance over that information.*

SEC hot topics

Calendar year companies should consider certain SEC concerns and suggestions when preparing 2022 annual financial statements and disclosures. At the 2022 AICPA and CIMA Conference on Current SEC and PCAOB Developments, SEC staff discussed matters related to accounting, financial reporting, and disclosures. A summary of some of the matters not discussed earlier follows.

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UNCERTAIN ECONOMIC ENVIRONMENT

SEC staff focused on disclosures regarding current uncertain economic times, including COVID- 19, inflation, increasing interest rates, continued supply chain issues, labor challenges, and Russia's invasion of Ukraine. These challenges also impact estimates and judgments, and staff noted estimates should be internally consistent. In addition, disclosures around key judgments should be transparent, including the related uncertainty of the estimates. Paul Munter, acting chief accountant, also noted that the current environment makes the likelihood of fraud significant.

A panel discussing SEC comment letters urged companies to review Sample Letters issued publicly by Corp Fin, including:

- *Sample Letter to Companies Regarding Disclosures Pertaining to Russia's Invasion of Ukraine and Related Supply Chain Issues*
- *Sample Letter to Companies Regarding Climate Change Disclosures*
- *Sample Letter to China-Based Companies*
- *Sample Letter to Companies Regarding Recent Developments in Crypto Asset Markets*

Companies should also review previously issued guidance on the COVID-19 pandemic, including the following Corp Fin Disclosure Guidance topics:

- *Topic 9: Coronavirus (COVID-19)*
- *Topic 9A: Coronavirus (COVID-19) — Disclosure Considerations Regarding Operations, Liquidity, and Capital Resources*

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Most speakers discussed ESG; however, there was no update on the proposed release of the SEC's previous proposal on climate risk disclosures. The SEC is currently in the process of reviewing comment letters on the proposal.

There was consensus that there is demand for a global set of ESG standards. Most speakers noted companies should take steps now to be ready when the reporting requirements are finalized. Challenges include gathering of ESG information, ownership as well as controls over the process and preparation of the information, and the appropriate level of governance and oversight.

There was also much discussion on the value of attestation as well as the potential requirement including the role of auditors in sustainably reporting.

Human capital disclosures were also discussed. The SEC previously issued principle-based human capital disclosure requirements and is expected to issue more expanded prescriptive guidance in the future.

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NON-GAAP MEASURES

SEC staff discussed topics that continue to be an issue and subject to Corp Fin comments: prominence, reconciliation to GAAP, segment information, business combination related, and EBIT and EBITDA. As discussed earlier, revised CD&I guidance provides guidance on many of these issues.

Corp Fin also noted that non-GAAP measures should be used based on the specific company facts and circumstances.

DISAGGREGATION OF FINANCIAL INFORMATION

SEC and FASB staff, as well as an investor panel, discussed requests from investors and stakeholders for more disaggregation of components of the income statement and more segment reporting. The FASB has several projects related to these issues, including disaggregation of components of the income statement (income and expenses) and more details on entity income tax provision calculations and disclosures. Paul Munter, acting chief accountant, urged companies to consider providing disaggregated financial information, and he encouraged companies to consider using the direct method of preparing the statement of cash flows, as this method provides more decision-useful data.

SEC staff also continue to focus on segment reporting and how registrants apply the guidance in ASC Topic 280, Segment Reporting, to the identification and aggregation of operating segments. The FASB's recent proposed ASU would require enhanced disclosures.

DIGITAL ASSETS

SEC Commissioner Hester Peirce noted that regulation of digital assets remains uncertain with more rules expected in the future. Paul Munter encouraged companies to consider the SEC staff's guidance in Staff Accounting Bulletin No. 121, which provides guidance on accounting for obligations to safeguard crypto assets an entity holds for platform users. She also noted that OCA has generally found digital asset lending arrangements to be consistent with lending transactions. In these situations, companies should follow that accounting treatment.

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Standards adoption

Standards issued in 2022

Final ASU	Early adoption	Effective date
ASU 2022-06: *Reference Rate Reform (Topic 848) — Deferral of the Sunset Date of Topic 848*	N/A	Effective upon issuance.
ASU 2022-05: *Financial Services — Insurance (Topic 944) — Transition for Sold Contracts*	Yes	**SEC registrants (excluding entities that qualify as SRCs):** Fiscal years beginning after Dec. 15, 2022, including interim periods within those fiscal years. **All other entities:** Fiscal years beginning after Dec. 15, 2024, and interim periods beginning in fiscal years beginning after Dec. 15, 2025
ASU 2022-04: *Liabilities — Supplier Finance Programs (Subtopic 405-50) — Disclosures of Supplier Finance Program Obligations*	Yes	Effective for all entities for fiscal years beginning after Dec. 15, 2022.
ASU 2022-03: *Fair Value Measurements (Topic 820) — Fair Value Measurement of Equity Securities Subject to Contractual Sales Restrictions*	Yes	**Nonpublic:** *Fiscal years beginning after Dec. 15, 2024, and interim periods within those fiscal years.* **Public:** *Fiscal years beginning after Dec. 15, 2023, and interim periods within those fiscal years.*
ASU 2022-02: *Financial Instruments — Credit Losses (Topic 326) — Troubled Debt Restructurings and Vintage Disclosures*	Yes	**SEC registrants (excluding entities that qualify as SRCs):** Fiscal years beginning after Dec. 15, 2022, including interim periods within those fiscal years. **All other entities:** Upon adoption of ASU 2016-13
ASU 2022-01: *Derivatives and Hedging (Topic 815) — Fair Value Hedging — Portfolio Layer Method*	Yes	**Nonpublic:** *Fiscal years beginning after Dec. 15, 2023, and interim periods within those fiscal years.* **Public:** *Fiscal years beginning after Dec. 15, 2022, and interim periods within those fiscal years.*

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Standards issued in prior years effective 2022 or after

Final ASU	Early adoption	Effective date
ASU 2021-10: *Government Assistance (Topic 832) — Disclosures by Business Entities about Government Assistance*	Yes	Effective for all business entities for fiscal years beginning after Dec. 15, 2021.*,**
ASU 2021-09: *Leases (Topic 842) — Discount Rate for Lessees That Are Not Public Business Entities*	Yes — if early ASU 2016-02 is early adopted	**Nonpublic entities that have not adopted ASC 842:** *See ASU 2016-02** **Nonpublic entities that have adopted ASC 842:** *Fiscal years beginning after Dec. 15, 2021, and interim periods within fiscal years beginning after Dec. 15, 2022.** **Public business entities:** *Not eligible*
ASU 2021-08: *Business Combinations (Topic 805) — Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*	Yes	**Nonpublic:** *Fiscal years beginning after Dec. 15, 2023, and interim periods within those fiscal years.* **Public:** *Fiscal years beginning after Dec. 15, 2022, and interim periods within those fiscal years.*
ASU 2021-07: *Compensation — Stock Compensation (Topic 718) — Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards (a consensus of the Private Company Council)*	Yes	**Nonpublic:** *Fiscal years beginning after Dec. 15, 2021, and interim periods within fiscal years beginning after Dec. 15, 2022.** **Public business entities:** *Not eligible*
ASU 2021-05: *Leases (Topic 842) — Lessors — Certain Leases with Variable Payments*	Yes	**Nonpublic:** *Fiscal years beginning after Dec. 15, 2021, and interim periods within fiscal years beginning after Dec. 15, 2022.** **Public:** *Fiscal years beginning after Dec. 15, 2021, and interim periods within those fiscal years.***
ASU 2021-04: *Earnings Per Share (Topic 260), Debt — Modifications and Extinguishments (Subtopic 470-50), Compensation — Stock Compensation (Topic 718), and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*	Yes	Effective for all entities for fiscal years beginning after Dec. 15, 2021.*,**
ASU 2021-01: *Reference Rate Reform (Topic 848): Scope*	Effective upon issuance	*Effective for the period March 12, 2020 through Dec. 31, 2022.*,***
Update 2020-11: *Financial Services — Insurance (Topic 944): Effective Date and Early Adoption*	Yes	**SEC registrants (excluding entities that qualify as SRCs):** *Fiscal years beginning after Dec. 15, 2022, including interim periods within those fiscal years.* **All other entities:** *Fiscal years beginning after Dec. 15, 2024, and interim periods beginning in fiscal years beginning after Dec. 15, 2025.*

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Final ASU	Early adoption	Effective date
Update 2020-10: *Codification Improvements*	Yes	**See ASU**
Update 2020-08: *Codification Improvements to Subtopic 310-20, Receivables — Nonrefundable Fees and Costs*	Yes for nonpublic entities only — but no earlier than years beginning after Dec. 15, 2020	**Nonpublic:** *Fiscal years beginning after Dec. 15, 2021, and interim periods within annual periods beginning after Dec. 15, 2022.** **Public business entities:** *Fiscal years beginning after Dec. 15, 2020, and interim periods within these fiscal years.*
Update 2020-07: *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*	Yes	*Effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022.*
Update 2020-06: *Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*	Yes — but no earlier than fiscal years beginning after Dec. 15, 2020	**SEC registrants (excluding entities eligible to be SRCs):** *Fiscal years beginning after Dec. 15, 2021, and interim periods within those fiscal years.*** **All other entities:** *Fiscal years beginning after Dec. 15, 2023, and interim periods within those fiscal years.*
Update 2020-05: *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Date for Certain Entities*	Yes	REVENUE RECOGNITION **Nonpublic:** *Fiscal years beginning after Dec. 15, 2019, and interim periods within annual periods beginning after Dec. 15, 2020.* LEASES **Nonpublic:** *Fiscal years beginning after Dec. 15, 2021, and interim periods within annual periods beginning after Dec. 15, 2022.** **Public not-for-profit entities:** *Fiscal years beginning after Dec. 15, 2019 and interim periods within those fiscal years.*
Update 2020-04: *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*	Effective upon issuance	*Effective for the period March 12, 2020 through Dec. 31, 2022.*,***
Update 2020-03: *Codification Improvements to Financial Instruments*	Yes	*See ASU*
Update 2020-02: *Financial Instruments — Credit Losses (Topic 326) and Leases (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)*	Yes, if ASU 2016-13 adopted	*See ASU 2016-13* *See ASU 2016-02**
Update 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*	Yes	**Nonpublic:** *Fiscal years beginning after Dec. 15, 2021, and interim periods within those fiscal years.** **Public business entities:** *Fiscal years beginning after Dec. 15, 2020, and interim periods within those fiscal years.***

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Update 2019-12: *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*	Yes	**Nonpublic:** *Fiscal years beginning after Dec. 15, 2021 and interim periods within annual periods beginning after Dec. 15, 2022.** **Public business entities:** *Fiscal years beginning after Dec. 15, 2020, and interim periods within these fiscal years.*
Update 2019-11: *Codification Improvements to Topic 326, Financial Instruments — Credit Losses*	Yes, if ASU 2016-13 adopted	*See ASU 2016-13*
Update 2019-10: *Financial Instruments — Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*	N/A	*See ASU 2016-02** *See ASU 2016-13* *See ASU 2017-12**
Update 2019-09: *Financial Services — Insurance (Topic 944): Effective Date*	N/A	*See ASU 2018-12*
Update 2019-05: *Financial Instruments — Credit Losses (Topic 326): Targeted Transition Relief*	Yes, if ASU 2016-13 adopted	*See ASU 2016-13*
Update 2019-04: *Codification Improvements to Topic 326, Financial Instruments — Credit Losses, Topic 815 Derivatives and Hedging, and Topic 825, Financial Instruments*	Yes	*See ASU*
Update 2019-01: *Leases (Topic 842): Codification Improvements*	Yes, if ASU 2016-02 adopted	*See ASU 2016-02**
Update 2018-20: *Leases (Topic 842): Narrow-Scope Improvements for Lessors*	Yes, if ASU 2016-02 adopted	*See ASU 2016-02**
Update 2018-19: *Codification Improvements to Topic 326, Financial Instruments — Credit Losses*	Yes, if ASU 2016-13 adopted	*See ASU 2016-13*
Update 2018-12: *Financial Services — Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*	Yes	**SEC registrants (excluding entities eligible to be SRCs):** *Fiscal years beginning after Dec. 15, 2022, and interim periods within those fiscal years.*** **All other entities:** *Fiscal years beginning after Dec. 15, 2024, and interim periods beginning after Dec. 15, 2025.*
Update 2018-11: *Leases (Topic 842): Targeted Improvements*	Yes, if ASU 2016-02 adopted	*See ASU 2016-02**
Update 2018-10: *Codification Improvements to Topic 842, Leases*	Yes, if ASU 2016-02 adopted	*See ASU 2016-02**

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Final ASU	Early adoption	Effective date
Update 2018-01: *Leases (Topic 842) — Land Easement Practical Expedient for Transition to Topic 842*	Yes	*See ASU 2016-02**
Update 2017-04: *Intangibles — Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*	Yes	**SEC registrants (excluding entities that qualify as SRCs):** *Fiscal years beginning after Dec. 15, 2019, including interim periods within those fiscal years.* **All other entities:** *Fiscal years beginning after Dec. 15, 2022, including interim periods within those fiscal years.*
Update 2016-13: *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*	Yes, as of fiscal years beginning after Dec. 15, 2018, including interim periods within those fiscal years	**SEC registrants (excluding entities that qualify as SRCs):** *Fiscal years beginning after Dec. 15, 2019, including interim periods within those fiscal years.* **All other entities:** *Fiscal years beginning after Dec. 15, 2022, including interim periods within those fiscal years.*
Update 2016-02: *Leases (Topic 842)*	Yes	**Nonpublic:** *Fiscal years beginning after Dec. 15, 2021, and interim periods within annual periods beginning after Dec. 15, 2022.** **Public not-for-profit entities:** *Fiscal years beginning after Dec. 15, 2019 and interim periods within those fiscal years.* **Public business entities:** *Fiscal years beginning after Dec. 15, 2018, including interim periods within those fiscal years.*

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