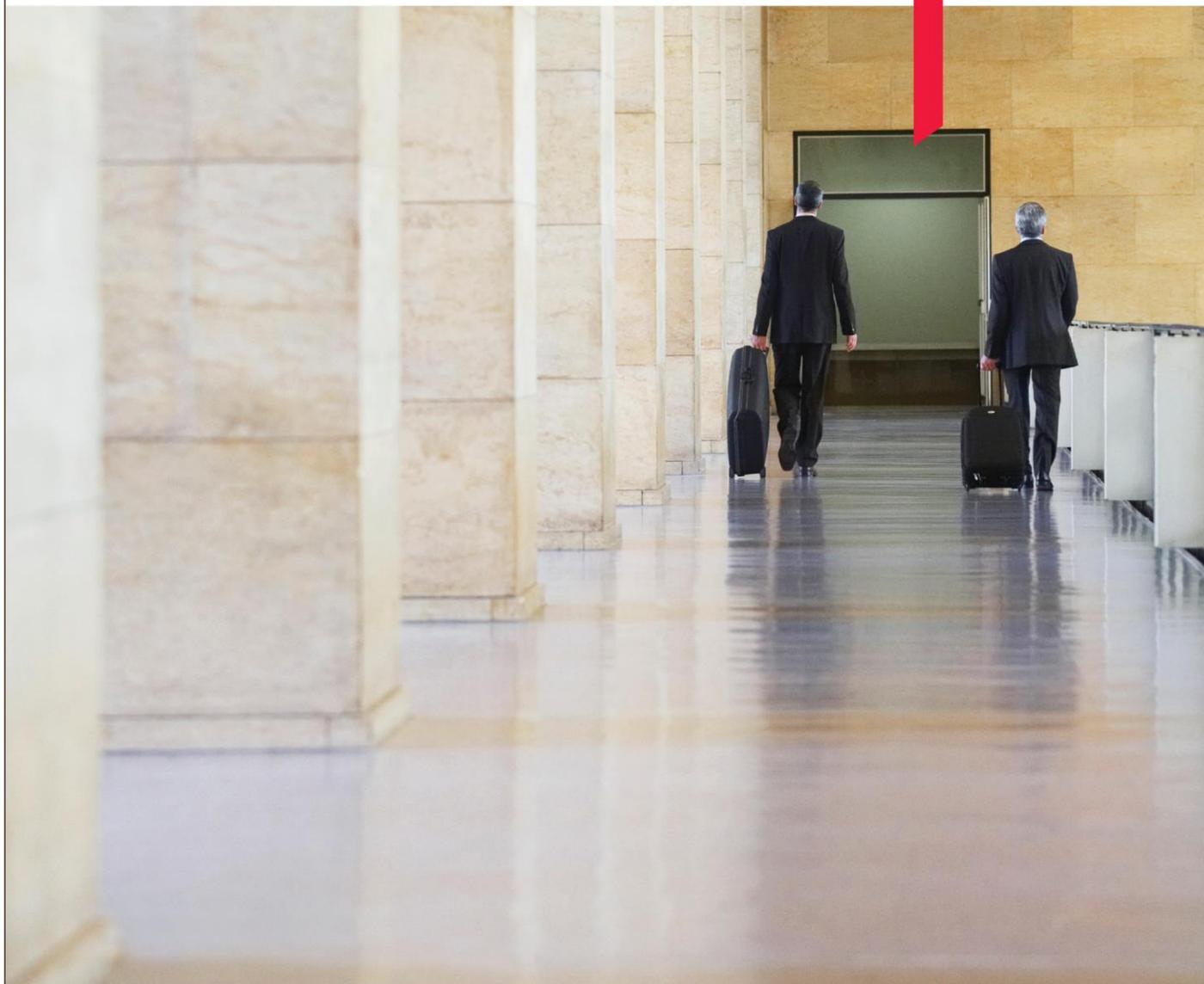


AN OFFERING FROM BDO'S NATIONAL ASSURANCE PRACTICE

# SIGNIFICANT ACCOUNTING & REPORTING MATTERS



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# ▶ FINANCIAL ACCOUNTING STANDARDS BOARD (FASB)

## FINAL FASB GUIDANCE

All final FASB guidance can be accessed on the [FASB website](#) located under the *Standards* tab, *Accounting Standards Updates*.

### **Accounting Standards Update 2015-16, *Business Combination (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments***

**Issued:** September 2015

**Summary:** ASU 2015-16 requires adjustments to provisional amounts that are identified during the measurement period to be recognized in the reporting period in which the adjustment amounts are determined. This includes any effect on earnings of changes in depreciation, amortization, or other income effects as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date.

In addition, the amendments in the proposed Update would require an entity to disclose (either on the face of the income statement or in the notes) the nature and amount of measurement-period adjustments recognized in the current period, including separately the amounts in current-period income statement line items that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date.

For additional information on this topic, refer to BDO's [Alert](#).

**Effective Date:** The amendments are effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted. The amendments in this Update should be applied prospectively to measurement-period adjustments that occur after the effective date of this Update.

### **Accounting Standards Update 2015-15, *Interest - Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements (Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting)***

**Issued:** August 2015

**Summary:** ASU 2015-15 codifies an SEC staff announcement that entities are permitted to defer and present debt issuance costs related to line-of-credit arrangements as assets. Given the absence of authoritative guidance within Update 2015-03 for debt issuance costs related to line-of-credit arrangements, ASU 2015-15 clarifies that the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably

over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement.

For additional information on this topic, refer to BDO's [Alert](#).

**Effective Date:** The ASU and the SEC staff announcement are effective immediately.

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### **Accounting Standards Update 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date**

**Issued:** August 2015

**Summary:** ASU 2015-14 defers the effective date of the new revenue recognition standard by one year. As such, it now takes effect for public entities in fiscal years beginning after December 15, 2017. All other entities have an additional year. However, early adoption is permitted for any entity that chooses to adopt the new standard as of the original effective date.

Public business entities will adopt the standard for annual reporting periods beginning after December 15, 2017, including interim periods within that year. Early adoption is permitted only as of annual reporting periods beginning after December 15, 2016, including interim periods within that year.<sup>1</sup>

All other entities will adopt the standard for annual reporting periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019. Early adoption is permitted as of either:

- An annual reporting period beginning after December 15, 2016, including interim periods within that year, or
- An annual reporting period beginning after December 15, 2016 and interim periods within annual reporting periods beginning one year after the annual period in which an entity first applies the new standard.

For additional information on this topic, refer to BDO's [Alert](#).

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### **Accounting Standards Update 2015-13, Derivatives and Hedging (Topic 815): Application of the Normal Purchases and Normal Sales Scope Exception to Certain Electricity Contracts within Nodal Energy Markets**

**Issued:** August 2015

**Summary:** ASU 2015-13 specifies that the use of locational marginal pricing (“LMP”) for certain contracts for the purchase or sale of electricity on a forward basis utilizing a nodal energy market does not, by itself, cause the contract to fail the physical delivery criterion of the normal purchases and normal sales (“NPNS”) elective scope exception in Topic 815.

The ASU specifies that the use of LMP by an independent system operator does not constitute net settlement of a contract for the purchase or sale of electricity on a forward basis that necessitates transmission through, or delivery to a location within, a nodal energy market, even in scenarios in which legal title to the associated electricity is conveyed to the independent service operator during transmission. Therefore, if all of the other criteria of the NPNS scope exception are met, an entity may elect to designate the contract as a normal purchase or normal sale. For additional information on this topic, refer to BDO's [Alert](#).

**Effective Date and Transition:** The amendments became effective upon issuance and should be applied prospectively. An entity will have the ability to designate qualifying contracts that are entered into on or after the effective date of the ASU as NPNS.

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<sup>1</sup> A not-for-profit entity 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 or to the SEC have the same effective date as public business entities.

Because an entity may elect the NPNS scope exception at contract inception or at a later date, it also will be able to designate qualifying contracts entered into before the effective date as NPNS, but only prospectively.

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## **Accounting Standards Update 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient***

**Issued:** July 2015

**Summary:** The amendments in ASU 2015-12 (i) require fully benefit-responsive investment contracts to be measured, presented and disclosed only at contract value, not fair value; (ii) simplify the investment disclosure requirements; and (iii) provide a measurement date practical expedient for employee benefit plans.

Part I. Fully Benefit-Responsive Investment Contracts - the amendments designate contract value as the only required measurement for fully benefit-responsive investments contracts within the scope of Topics 962 and 965, eliminating the requirement to measure, present and disclose such contracts also at fair value and reconcile fair value to contract value.

Part II. Plan Investment Disclosures - the amendments eliminate certain disclosure requirements for both participant-directed investments and nonparticipant-directed investments, and also reduce disclosures required specifically for investments using the net asset value per share practical expedient. The amendments also require that both participant-directed and nonparticipant-directed investments be grouped only by general type, eliminating the need to disaggregate the investments in multiple ways (i.e., also on the basis of nature, characteristics, and risks as required by Topic 820, *Fair Value Measurement*).

Part III. Measurement Date Practical Expedient - the amendments provide a measurement date practical expedient for employee benefit plans similar to the practical expedient allowing employers to measure defined benefit plan assets on a month-end date that is nearest to the employer's fiscal year-end, when the fiscal period does not coincide with a month-end.

For additional information on this topic, refer to BDO's [Alert](#).

**Effective Date and Transition:** The amendments are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively. Only the nature and reason for the change in accounting principle is required to be disclosed in the annual period of adoption.

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## **Accounting Standards Update 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory***

**Issued:** July 2015

**Summary:** ASU 2015-11 requires inventory within the scope of the ASU (e.g. FIFO or average cost) to be measured using the lower of cost and net realizable value. Inventory excluded from the scope of the ASU (i.e., LIFO or the retail inventory method) will continue to be measured at the lower of cost or market. The ASU also amends some of the other guidance in Topic 330 to more clearly articulate the requirements for the measurement and disclosure of inventory. However, those amendments are not intended to result in any changes to current practice.

For additional information on this topic, refer to BDO's [Alert](#).

**Effective Date and Transition:** The amendments are effective prospectively for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after

December 15, 2017. Early adoption is permitted as of the beginning of an interim or annual reporting period. If an entity has previously written down inventory (within the scope of the ASU) below its cost, that reduced amount is considered the cost upon adoption. Upon adoption, the change from the lower of cost or market to the lower of cost and net realizable value for inventory within the scope of the ASU will be accounted for as a change in accounting principle.

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## PROPOSED FASB GUIDANCE

The following is a summary of significant proposed guidance that was issued or was open for comment during the quarter. All proposed FASB guidance can be accessed on the [FASB website](#) located under the *Projects* tab.

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### **Proposed Accounting Standards Update, *Intangibles - Goodwill and Other (Topic 350)*, *Business Combinations (Topic 805)*, *Consolidation (Topic 810)*, *Derivatives and Hedging (Topic 815)*: *Effective Date and Transition Guidance (a proposal of the Private Company Council)***

**Issued:** September 2015

**Comment Deadline:** November 16, 2015

**Summary:** The proposed Update would make the guidance in the following ASUs effective immediately by removing their effective dates:

- ASU 2014-02, *Intangibles - Goodwill and Other (Topic 350): Accounting for Goodwill*
- ASU 2014-03, *Derivatives and Hedging (Topic 815): Accounting for Certain Receive-Variable, Pay Fixed Interest Rate Swaps - Simplified Hedge Accounting Approach*
- ASU 2014-07, *Consolidation (Topic 810): Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements*, and
- ASU 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination*.

The proposed amendments also include transition provisions that would provide that private companies would be able to forgo a preferability assessment the first time they elect the accounting alternatives within the scope of this proposed Update. Any subsequent change to an accounting policy election would require justification that the change is preferable under Topic 250, *Accounting Changes and Error Corrections*.

The amendments in this proposed Update also would extend the transition guidance in ASUs 2014-02, 2014-03, 2014-07, and 2014-18 indefinitely. While this proposed Update extends transition guidance for Updates 2014-07 and 2014-18, there is no intention to change how transition is applied for those two Updates. Current transition requirements for Updates 2014-07 and 2014-18 remain unchanged regardless of when the amendments in those Updates are elected.

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### **Proposed Accounting Standards Update, *Revenue from Contracts with Customers (Topic 606)*: *Narrow-Scope Improvements and Practical Expedients***

**Issued:** September 2015

**Comment Deadline:** November 16, 2015

**Summary:** The proposed Update would provide clarifying guidance in a few narrow areas and establish certain practical expedients through the following amendments:

- clarify the objective of the collectibility criterion in Step 1 and add a new criterion to paragraph 606-10-25-7 to clarify when revenue would be recognized for a contract that fails to meet the criteria in Step 1
- permit an entity, as an accounting policy election, to exclude amounts collected from customers for all sales (and other similar) taxes from the transaction price
- specify that the measurement date for noncash consideration is contract inception and clarify that the variable consideration guidance applies only to variability resulting from reasons other than the form of the consideration
- provide a practical expedient that permits an entity to determine and allocate the transaction price on the basis of all satisfied and unsatisfied performance obligations in a modified contract as of the beginning of the earliest period presented in accordance with the guidance in Topic 606; individual modifications would not be separately evaluated
- clarify that a completed contract for purposes of transition is a contract for which all (or substantially all) of the revenue was recognized under legacy generally accepted accounting principles (GAAP) before the date of initial application. Accounting for elements of a contract that do not affect revenue under legacy GAAP would be irrelevant to the assessment of whether a contract is complete
- permit an entity to apply the modified retrospective transition approach either to all contracts or to completed contracts only, and
- clarify that an entity that retrospectively applies the guidance in Topic 606 to each prior reporting period is not required to disclose the effect of the accounting change for the period of adoption. However, an entity still would be required to disclose the effect of the changes on any prior periods retrospectively adjusted.

**Effective Date:** For additional information on effective date, refer to discussion of ASU 2015-14 under the Final FASB Guidance section of this publication.

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### **Proposed Accounting Standards Update, *Notes to Financial Statements (Topic 235): Assessing Whether Disclosures are Material***

**Issued:** September 2015

**Comment Deadline:** December 8, 2015

**Summary:** The proposed Update would: (i) state that materiality is applied to quantitative and qualitative disclosures individually and in the aggregate in the context of the financial statements taken as a whole; therefore, some, all, or none of the disclosures that are otherwise required may be material; (ii) refer to materiality as a legal concept; (iii) state specifically that an omission of immaterial information is not an accounting error.

**Effective Date:** The amendments in this proposed Update would be effective upon issuance. Reporting entities may choose to apply the proposed amendments in only the most recent year reported (prospective) or in all years presented (retrospective).

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### **Proposed Accounting Standards Update, *Conceptual Framework for Financial Reporting: Chapter 3: Qualitative Characteristics of Useful Financial Information***

**Issued:** September 2015

**Comment Deadline:** December 8, 2015

**Summary:** The proposed Update would modify the current definition of materiality, adding a statement that materiality is a legal concept. The proposed Update would also include a brief summary of the U.S. Supreme Court's definition of materiality because that is the definition that is currently observed by the Board.

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## Proposed Accounting Standards Update, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent (Reporting Revenue Gross versus Net)*

**Issued:** August 2015

**Comment Deadline:** October 15, 2015

**Summary:** The proposed Update is intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations by clarifying the following:

- *The unit of account at which an entity would determine whether it is a principal or an agent (i.e. for each “specified good or service”).* The proposed Update would require an entity to identify the specified good or service before applying the control principle to that specified good or service. If a contract with a customer includes more than one specified good or service, an entity could be a principal for some specified goods or services and an agent for others.
- *Application of the control principle to certain types of arrangements by explaining what a principal controls before the specified good or service is transferred to the customer.* That is, (a) a good or another asset from the other party that it then transfers to the customer; (b) a right to a service that will be performed by another party, which gives the entity the ability to direct that party to provide the service to the customer on the entity’s behalf; or (c) a good or service from the other party that it combines with other goods or services to provide the specified good or service to the customer.
- *The purpose of the indicators of control (i.e. to support or assist in the assessment of control) and the relationship of each indicator to the control principle.* The proposed Update would clarify that the indicators may be more or less relevant, and that one or more indicators may be more or less persuasive, to the control assessment, depending on the facts and circumstances.

Existing illustrative examples would also be amended to clarify how to apply the implementation guidance on principal versus agent considerations.

**Effective Date:** For additional information on effective date, refer to discussion of ASU 2015-14 under the Final FASB Guidance section of this publication.

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## Proposed Accounting Standards Update, *Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments (a consensus of the FASB Emerging Issues Task Force)*

**Issued:** August 2015

**Comment Deadline:** October 5, 2015

**Summary:** The proposed amendments would clarify the requirements for assessing whether contingent call (put) options that can accelerate the payment of principal on debt instruments are clearly and closely related to their debt hosts. An entity performing the assessment under the proposed amendments would be required to assess the embedded call (put) options solely in accordance with the four-step decision sequence. When a call (put) option is contingently exercisable, an entity would not have to assess whether the event that triggers the ability to exercise a call (put) option is related to interest rates or credit risks.

For additional information on this topic, refer to BDO’s [comment letter](#).

**Effective Date:** The effective date will be determined after the Board considers stakeholder feedback on the proposed amendments.

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## Proposed Accounting Standards Update, *Derivatives and Hedging (Topic 815): Effect of Derivative Contract Novations on Existing Hedging Accounting Relationships (a consensus of the FASB Emerging Issues Task Force)*

**Issued:** August 2015

**Comment Deadline:** October 5, 2015

**Summary:** The proposed amendments would clarify that a change in the counterparty to a derivative instrument that has been designated as the hedging instrument under Topic 815 does not, in and of itself, require dedesignation of that hedge accounting relationship provided that all other hedge accounting criteria continue to be met.

For additional information on this topic, refer to BDO's [comment letter](#).

**Effective Date:** The effective date will be determined after the Board considers stakeholder feedback on the proposed amendments.

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## Emerging Issues Task Force Issues

**Status:** The Task Force did not reach any final consensus or consensus-for-exposure at its September 2015 meeting and additional deliberations are expected. The Task Force discussed the following issues:

### *15-B: Recognition of Breakage for Certain Prepaid Stored-Value Cards*

**Summary:** The Task Force tentatively decided to remove the specific scope criteria specified in the proposed Update as a result of comment letter feedback that the scope of the proposed Update was too narrow and would exclude certain prepaid stored-value cards and other economically similar instruments.

### *15-F: Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*

**Summary:** The Task Force discussed four cash flow classification issues including: proceeds from the settlement of corporate owned life insurance; distributions received from equity method investees; beneficial interests in securitization transactions; and application of the predominance principle. The Task Force reached tentative decisions on these issues but did not reach any consensus-for-exposure.

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## OTHER ACTIVITIES

The following section provides high level summaries of other relevant FASB publications and activities.

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### Private Company Council (PCC) Update

#### *FASB Exposure Draft to provide effective date relief for PCC alternatives*

**Summary:** The FASB issued an exposure draft to remove the effective dates and provide private companies with an unconditional one-time election of a private company accounting alternative without performing a preferability assessment. The amendments in this proposed Update also would extend the transition guidance in the PCC alternatives indefinitely. For detailed summary of the proposal, refer to the Proposed FASB Guidance section of this publication.

### **Financial Accounting Foundation (FAF) Appoints New PCC Chair**

**Summary:** The Board of Trustees of the FAF appointed a new chair and three new members of the PCC to three-year terms that begin on January 1, 2016. Six PCC members were reappointed. Candace E. Wright, who serves as a director with Postlethwaite & Netterville, a Louisiana-based accounting and business advisory firm, was named as incoming PCC chair. Ms. Wright will succeed Billy M. Atkinson, whose term will conclude on December 31, 2015.

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### **FASB and IASB Joint Transition Resource Group for Revenue Recognition**

**Summary:** As a result of certain issues discussed to date by the FASB and IASB Joint Transition Resource Group (TRG) for Revenue Recognition, the FASB issued an exposure document in August that would clarify guidance within the new standard principal versus agent considerations. The proposed amendments are similar to the amendments related to principal versus agent considerations that are included in the exposure document issued by the IASB in July. The FASB has also proposed amendments to the guidance on accounting for licenses of intellectual property and identifying performance obligations, including additional illustrative examples, which to some extent differ from the IASB's expected amendments.

Also during the quarter, the FASB proposed amendments involving narrow scope improvements and practical expedients, including clarifying that the objective of the threshold is to assess an entity's exposure to credit risk for the goods and services that will be transferred to the customer; adding a criterion to the alternative recognition model if collectability is not probable; clarifying that a completed contract is one for which all (or substantially all) of the revenue was recognized under revenue guidance in effect before the date of initial application; and permitting an entity to apply the modified retrospective transition approach to all contracts, rather than only those contracts that have not been completed on the date of adoption. The IASB staff is expected to perform more research on some of these topics.

For detailed summaries of the proposals thus far, refer to the *Proposed FASB Guidance* and *Proposed IASB Guidance* sections of this publication.

Additionally, both the FASB and IASB issued amendments to defer the effective date of the new standard by one year.

The next meeting of the TRG is scheduled for November 2015.

**Background:** The TRG was established in 2014 to solicit, analyze, and discuss stakeholder issues arising from implementation of the recently issued standard, ASU 2014-09 (Topic 606), Revenue from Contracts with Customers; to inform the FASB and IASB about those implementation issues, which will help the Boards determine what, if any, action will be needed to address those issues; and to provide a forum for stakeholders to learn about the new guidance from others involved with implementation.

For more information, or for resources on the new standard, refer to BDO's [Revenue Recognition Resource Center](#). More information may also be found on the FASB [website](#).

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### **Update on International Convergence**

The FASB and the IASB continue their efforts on their remaining joint projects: financial instruments and leases. Third quarter developments are detailed below by topic. Final standards on both leasing and financial instruments are expected this year. For current status of joint FASB/IASB projects, refer to the [FASB's Current Technical Plan and Project Updates](#) and [IASB's Work Plan for IFRSs](#).

*Financial Instruments* - The FASB and IASB have not reached convergence in the financial instruments project. The IASB completed its project with the issuance of finalized IFRS 9, Financial Instruments, in 2014 while the FASB continues to redeliberate issues related to classification and measurement, as well as impairment and hedging. During the third quarter, the FASB staff worked on drafting the final standard related to classification and measurement, as well as impairment. The FASB staff is expected to continue with this process in Q4 and a final standard is expected after comments received during the drafting process are appropriately addressed.

Late in Q2, the FASB also reached tentative decisions regarding numerous aspects of the hedge accounting project, including: effectiveness threshold; presentation and timing of recording changes in fair value of a hedging derivative; component hedging of

nonfinancial items; quantitative vs qualitative assessments of hedge effectiveness; additional disclosures and amendments to certain tabular disclosures; timing of certain hedge documentation requirements; allowing designation of the contractually specified index rate in cash flow hedges of interest rate risk, thus eliminating the concept of benchmark interest rates for variable rate instruments; allowing SIFMA as an acceptable benchmark rate for hedges of fixed-rate financial instruments; effect of a prepayment option and benchmark component of the total coupon cash flows in measuring and designating the hedged risk in a fair value hedge; partial term hedges and certain relief in application of the shortcut method. During the third quarter, the FASB staff worked on developing a draft and is expected to deliberate certain sweep issues in Q4 prior to issuing a proposed standard.

*Leases* - The revised exposure draft was issued in May 2013, and the comment period closed in September 2013. The exposure draft was criticized by most constituents for its expected cost to implement and its complexity, and many questioned whether it would provide improved information to users of the financial statements. During the fourth quarter, the FASB staff worked on drafting the final standard.

A final standard is expected by the end of 2015 with an effective date several years later.

# ► PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)

## FINAL AND PROPOSED PCAOB GUIDANCE

All final and proposed PCAOB guidance can be accessed on the [PCAOB website](#) located under the *Rules of the Board* tab.

## SEC approves Reorganization of PCAOB Auditing Standards and Related Amendments to PCAOB Auditing Standards and Rules

**Summary:** In September 2015, the SEC approved the proposed rules to implement the reorganization of PCAOB auditing standards and related changes to PCAOB rules and attestation, quality control, and ethics and independence standards. In March 2015, the PCAOB issued amendments to its rules and standards to reorganize all existing interim and PCAOB-issued auditing standards into a topical system. The purpose of the reorganization is to help users navigate the standards more easily. Standards will be categorized as follows: general auditing standards; audit procedures; auditor reporting; matters related to filings under federal securities laws; and other matters associated with audits. The amendments do not introduce new auditing requirements or change the substance of existing standards.

**Effective Date:** The amendments are effective as of December 31, 2016 but auditors and others are not precluded from using and referencing the standards as reorganized before the effective date.

## OTHER ACTIVITIES

The following section provides high level summaries of other relevant PCAOB publications and activities.

## PCAOB launches PCAOB Dialogues - Episode 1: Audit Quality Indicators (AQI)

**Summary:** In July 2015, the PCAOB issued a concept release seeking public feedback on the content and possible uses of a group of potential AQIs, a portfolio of quantitative measures that may provide new insights about how to evaluate the quality of audits and how high quality audits are achieved. The concept release identifies a total of 28 potential AQIs, grouped into three broad categories: audit professionals; audit process; and audit results.

PCAOB launched a podcast series, PCAOB Dialogues, featuring PCAOB Board members and staff talking with audit committee members, investors, and others about auditing, investor protection, and capital markets. On the first episode on audit quality indicators, Director of Office of Research and Analysis and leader on the PCAOB AQI project Greg Jonas talks with audit committee chair Mike Cook about how indicators can help audit quality. The podcast can be accessed [here](#).

# ▶ SECURITIES AND EXCHANGE COMMISSION (SEC)

## FINAL SEC GUIDANCE

All SEC Final Rules can be accessed on the [SEC website](#) located under the *Regulatory Actions* section, *Final Rules*.

(Note: The following pertains to significant accounting and reporting SEC releases. For a complete listing of SEC rules, please refer to the SEC website.)

### Final Rule, *Pay Ratio Disclosure*

**Issued:** August 2015

Release No. 33-9877

**Summary:** On August 5, 2015, the SEC adopted, by a 3-2 vote, a rule mandated by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The rule amends Item 402 of Regulation S-K and requires issuers to disclose the following:

- The median annual total compensation of all employees except the chief executive officer;
- The annual total compensation of the CEO; and
- The ratio of the median annual total compensation of all employees to the annual total compensation of the CEO.

These disclosures are collectively referred to as the “pay ratio” disclosures and are intended to help inform shareholders when evaluating a CEO’s compensation.

The pay ratio disclosures are required in any annual report, proxy, or registration statement that requires disclosure of executive compensation pursuant to Item 402 of Regulation S-K. However, emerging growth companies, smaller reporting companies, foreign private issuers, Multijurisdictional Disclosure System filers, and registered investment companies are exempt from the requirements. In addition, companies filing initial registration statements (whether in an initial public offering or on Form 10) are not required to provide the pay ratio disclosures. Certain transition relief is available for newly public companies, companies with business combination activity, and those exiting smaller reporting company or emerging growth company status. Companies are required to provide the pay ratio disclosures for their first fiscal year beginning on or after January 1, 2017.

For additional information on this topic, refer to BDO’s [Alert](#).

**Effective Date:** First fiscal year beginning on or after January 1, 2017.

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## PROPOSED SEC GUIDANCE

All SEC Proposed Rules can be accessed on the [SEC website](#) located under the *Regulatory Actions* section, *Proposed Rules*.

(Note: The following pertains to significant accounting and reporting SEC releases. For a complete listing of SEC rules, please refer to the SEC website.)

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### Proposes Rule, *Listing Standards for Recovery of Erroneously Awarded Compensation*

**Issued:** July 2015

**Comment Deadline:** September 14, 2015

Release No. 33-9861

**Summary:** On July 1, 2015, the Securities and Exchange Commission proposed a rule which would require national securities exchanges to establish standards for listed companies that would require the clawback of erroneous executive compensation. The rule would implement provisions mandated by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. These standards would force listed companies to establish and enforce policies that require executives to pay back certain incentive-based compensation that was erroneously awarded. Proposed Rule 10D-1 would substantially increase the existing requirements covering recovery of executive compensation in Section 304 of the Sarbanes-Oxley Act, which requires the CEO and CFO to reimburse an issuer for certain compensation when an accounting restatement which resulted from misconduct occurred during the preceding twelve months.

For additional information on this topic, refer to BDO's [Alert](#).

**Effective Date:** The effective date will be determined after the SEC considers feedback on the proposed rule.

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## OTHER ACTIVITIES

The following section provides high level summaries of other relevant SEC publications and activities.

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### SEC Publishes Update to the Financial Reporting Manual

**Issued:** August 2015

Release: No. 33-9741

**Summary:** On August 25, 2015, the staff of the Securities and Exchange Commission's Division of Corporation Finance published an update to the Division's Financial Reporting Manual (FRM). Consistent with previous updates, the inside cover of the FRM lists a summary of the paragraphs that were updated. The update amends paragraphs 1320.3 and 1320.4 and provides guidance for registrants with delinquent filings who seek to become current by presenting all information that would have been included in the delinquent filings in a comprehensive annual report on Form 10-K. The guidance indicates that the staff will generally not issue comments asking a delinquent registrant to file separately all of its delinquent filings if the registrant takes this approach.

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## SEC Publishes Request for Comment on Regulation S-X

**Summary:** On September 25, 2015, the SEC announced that it is seeking public comment on the effectiveness of financial disclosure requirements in Regulation S-X, as part of its Disclosure Effectiveness Initiative. The request for comment focuses on the requirements for the form and content of financial disclosures that companies must file with the Commission about acquired businesses, affiliated entities, and guarantors and issuers of guaranteed securities. The public comment period will remain open for 60 days following publication of comment request in the Federal Register.

For additional information on this topic, refer to BDO's [Alert](#).

# ▶ INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

## FINAL IASB GUIDANCE

All final IASB guidance can be accessed on the [IASB website](#) located under the *IFRS* tab, *Standards and Interpretations*.

*The IASB had not issued any final guidance during the quarter.*

## PROPOSED IASB GUIDANCE

The following is a summary of all significant proposed guidance that was issued or was open for comment during the quarter. All proposed IASB guidance can be accessed on the [IASB website](#) located under the *Get Involved* tab, *Comment on a Proposal*.

### Exposure Draft, *Clarifications to IFRS 15*

**Issued:** July 2015

**Comment Deadline:** October 28, 2015

**Summary:** The proposed amendments to IFRS, 15 Revenue from Contracts with Customers, aim to clarify the existing guidance for:

- *Identification of performance obligations*  
Performance obligations are identified on the basis of distinct goods or services. To further clarify the concept, additional illustrative examples have been added with others being amended.
- *Principal vs. agent considerations*  
IFRS 15 requires an entity to determine whether it is a principal or agent based on whether it controls the underlying goods or services before the transaction. In order to clarify the approach the application guidance in Appendix B has been amended and additional illustrative examples have been added.
- *Licensing agreements*  
Revenue from a licensing agreement is either recognized over time or at a point in time. The pattern of revenue recognition is based on whether the entity is required to undertake activities that significantly affect the functionality of the intellectual property. The proposed amendments include additional application guidance and examples to determine when an entity's activities significantly affect intellectual property, together with clarification for arrangements involved sales-based or usage-based royalties.
- *Transitional reliefs*  
Completed contracts: No requirement to apply IFRS 15 retrospectively to completed contracts at the beginning of the earliest period presented  
Modified contracts: An entity is allowed to use hindsight when determining the effects of contract modifications on transition

For additional information on this topic, refer to BDO's [IFR Bulletin](#).

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## Exposure Draft, *Effective Date of Amendments to IFRS 10 and IAS 28*

**Issued:** August 2015

**Comment Deadline:** October 9, 2015

**Summary:** The proposed amendments would change the effective date of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28) which were originally issued by the IASB in September 2014.

The proposals aim at deferring the amendments indefinitely until the outcome of the related research project on the use of the equity method has been concluded. The new effective date is therefore proposed to be ‘a date to be inserted by the IASB’.

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## OTHER ACTIVITIES

The following section provides high level summaries of other relevant IASB publications and activities.

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### The IASB voted unanimously to defer the effective date of IFRS 15, *Revenue from Contracts with Customers*, by one year

**Summary:** On July 22, 2015, the International Accounting Standards Board (IASB) voted unanimously to defer the effective date of IFRS 15 *Revenue from Contracts with Customers* by one year to annual periods beginning on or after January 1, 2018.

Entities are still permitted to apply IFRS 15 early, and to choose between applying the Standard either retrospectively to each prior period presented or retrospectively with a cumulative catch-up adjustment at the date of initial application.

The formal amendment to the Standard, specifying the new effective date, is expected to be issued shortly.

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### IASB Request for Views, *2015 Agenda Consultation*

**Issued:** August 2015

**Comment Deadline:** December 31, 2015

**Summary:** The IASB has issued its 2015 Agenda Consultation and seeks views on the priorities of the work plan of the IASB until 2020. The 2015 Agenda Consultation is asking for views on:

- the strategic direction of the IASB and the balance of the work plan with regard to minor amendments and fundamental changes to IFRS; and
- whether a three-year period is appropriate between future Agenda Consultations.

# ▶ EFFECTIVE DATES OF U.S. ACCOUNTING PRONOUNCEMENTS

This appendix was prepared with a calendar year-end company in mind. Therefore standards with an effective date in 2014 have been included since many companies applied them for the first time in 2015, e.g., the first interim or annual period beginning on or after December 15, 2014. Standards that do not require adoption before 2016 are highlighted in gray.

Also, refer to BDO's [publication](#) summarizing effective dates of IFRS pronouncements.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<b>ASC 205, Presentation of Financial Statements</b>		
ASU 2014-15, <i>Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern</i>	Effective for all entities, unless they have adopted the liquidation basis of accounting under Subtopic 205-30. The new standard applies prospectively to annual periods ending after December 15, 2016, and to annual and interim periods thereafter. Early adoption is permitted.	Effective for all entities, unless they have adopted the liquidation basis of accounting under Subtopic 205-30. The new standard applies prospectively to annual periods ending after December 15, 2016, and to annual and interim periods thereafter. Early adoption is permitted.
ASU 2014-08, <i>Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity</i>	Effective for annual periods beginning on or after December 15, 2014, and interim periods within those years. Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.	Effective for annual periods beginning on or after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015.  Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.
<b>ASC 225, Income Statement</b>		
ASU 2015-01, <i>Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015.	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<b>ASC 260, Earnings Per Share</b>		
<i>ASU 2015-06, Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions (a consensus of the Emerging Issues Task Force)</i>	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.
<b>ASC 310, Troubled Debt Restructuring by Creditors</b>		
<i>ASU 2014-14, Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure</i>	Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. Early adoption is permitted, if the entity has already adopted ASU 2014-04.	Effective for annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Early adoption is permitted, if the entity has already adopted ASU 2014-04.
<i>ASU 2014-04, Reclassification of Residential Real Estate collateralized consumer Mortgage Loans upon Foreclosure (a consensus of the FASB Emerging Issues Task Force)</i>	Effective for annual periods and interim periods within those annual periods, beginning after December 15, 2014. Early adoption is permitted. An entity can elect to adopt the amendments in this update using either a modified retrospective transition method or a prospective transition method.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. An entity can elect to adopt the amendments in this update using either a modified retrospective transition method or a prospective transition method.
<b>ASC 323, Investments - Equity Method and Joint Ventures</b>		
<i>ASU 2014-01, Accounting for Investments in Qualified Affordable Housing Projects (a consensus of the FASB Emerging Issues Task Force)</i>	Effective for annual periods and interim reporting periods within those annual periods, beginning after December 15, 2014. Early adoption is permitted. If adopted, the amendments in this Update should be applied retrospectively to all periods presented. A reporting entity that uses the effective yield method to account for its investments in qualified affordable housing projects before the date of adoption may continue to apply the effective yield method for those preexisting investments.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual reporting periods beginning after December 15, 2015. Early adoption is permitted. If adopted, the amendments in this Update should be applied retrospectively to all periods presented. A reporting entity that uses the effective yield method to account for its investments in qualified affordable housing projects before the date of adoption may continue to apply the effective yield method for those preexisting investments.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<b>ASC 330, Inventory</b>		
<p>ASU 2015-11, <i>Simplifying the Measurement of Inventory</i></p>	<p>Effective prospectively for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted as of the beginning of an interim or annual reporting period.</p> <p>If an entity has previously written down inventory (within the scope of the ASU) below its cost, that reduced amount is considered the cost upon adoption. Upon adoption, the change from the lower of cost or market to the lower of cost and net realizable value for inventory within the scope of the ASU will be accounted for as a change in accounting principle</p>	<p>Effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted as of the beginning of an interim or annual reporting period. If an entity has previously written down inventory (within the scope of the ASU) below its cost, that reduced amount is considered the cost upon adoption. Upon adoption, the change from the lower of cost or market to the lower of cost and net realizable value for inventory within the scope of the ASU will be accounted for as a change in accounting principle</p>
<b>ASC 350, Intangibles—Goodwill and Other</b>		
<p>ASU 2015-05, <i>Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement</i></p>	<p>Effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted. An entity can elect to adopt the amendments either (1) prospectively to all arrangements entered into or materially modified after the effective date or (2) retrospectively.</p>	<p>Effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted. An entity can elect to adopt the amendments either (1) prospectively to all arrangements entered into or materially modified after the effective date or (2) retrospectively.</p>
<p>ASU 2014-02, <i>Accounting for Goodwill (a consensus of the Private Company Council)</i></p>	<p>Not applicable to public entities.</p>	<p>The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and new goodwill recognized in annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity’s annual or interim financial statements have not yet been made available for issuance.</p>
<b>ASC 360, Property, Plant, and Equipment</b>		
<p>ASU 2014-08, <i>Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity</i></p>	<p>Effective for annual periods beginning on or after December 15, 2014, and interim periods within those years.</p> <p>Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if</p>	<p>Effective for annual periods beginning on or after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015.</p> <p>Entities should not apply the amendments to a component of an entity (or a business or nonprofit</p>

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
	it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.	activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.
<b>ASC 405, Liabilities</b>		
<b>ASU 2013-04, <i>Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date (a consensus of the FASB Emerging Issues Task Force)</i></b>	Effective for fiscal years, and interim periods within those years, beginning after December 31, 2013. Early adoption is permitted. Retrospective application is required for all periods presented. Entities are permitted to use hindsight when determining the appropriate amount to be recorded in prior periods.	Effective for fiscal years ending after December 31, 2014 and interim and annual periods thereafter. Early adoption is permitted. Retrospective application is required for all periods presented. Entities are permitted to use hindsight when determining the appropriate amount to be recorded in prior periods.
<b>ASC 606, Revenue</b>		
<b>ASU 2014-09 <i>Revenue from Contracts with Customers</i></b>  <b>ASU 2015-14 <i>Revenue from Contracts with Customers: Deferral of the Effective Date</i></b>	Effective for annual periods beginning after December 15, 2017, including interim periods therein. Entities may adopt using a retrospective approach (with certain optional practical expedients) or a cumulative effect approach. Under the this alternative, an entity would apply the new revenue standard only to contracts that are incomplete under legacy U.S. GAAP at the date of initial application (e.g. January 1, 2018) and recognize the cumulative effect of the new standard as an adjustment to the opening balance of retained earnings. That is, prior years would not be restated and additional disclosures would be required to enable users of the financial statements to understand the impact of adopting the new standard in the current year compared to prior years that are presented under legacy U.S. GAAP. Early adoption is permitted only as of annual reporting periods beginning after December 15, 2016, including interim periods within that year.	Effective for annual periods beginning after December 15, 2018. In addition, the new standard is effective for interim periods within annual periods that begin after December 15, 2019. The same transition alternatives apply.  Early adoption is permitted as of either: <ul style="list-style-type: none"> <li>• An annual reporting period beginning after December 15, 2016, including interim periods within that year, or</li> <li>• An annual reporting period beginning after December 15, 2016 and interim periods within annual reporting periods beginning one year after the annual period in which the entity first applies the new standard.</li> </ul>
<b>ASC 715, Compensation—Retirement Benefits</b>		
<b>ASU 2015-04, <i>Practical Expedient for the Measurement Date of an Employer’s Defined Benefit Obligation and Plan Assets</i></b>	Effective prospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective prospectively for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<b>ASC 718, Compensation—Stock Compensation</b>		
<p><i>ASU 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force)</i></p>	<p>Effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted.</p> <p>Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost.</p>	<p>Effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted.</p> <p>Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost.</p>
<b>ASC 740, Income Taxes</b>		
<p><i>ASU 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force)</i></p>	<p>Effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted.</p>	<p>Effective for fiscal years and interim periods within those years, beginning after December 15, 2014. Early adoption is permitted.</p>
<b>ASC 805, Business Combinations</b>		
<p><i>ASU 2015-16, Simplifying the Accounting for Measurement-Period Adjustments</i></p>	<p>Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted.</p>	<p>Effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted.</p>
<p><i>ASU 2015-08, Pushdown Accounting—Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115 (SEC Update)</i></p>	<p>SAB 115 became effective November 21, 2014.</p>	<p>Not applicable to private entities.</p>

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<p>ASU 2014-18, <i>Accounting for Identifiable Intangible Assets in a Business Combination (a consensus of the Private Company Council)</i></p>	<p>Not applicable to public entities.</p>	<p>If elected, the accounting alternative should be applied to eligible transactions in fiscal years beginning after December 15, 2015. Specifically, if the first eligible transaction occurs in the first fiscal year beginning after December 15, 2015, the elective adoption will be effective for that fiscal year's annual financial reporting and all interim and annual periods thereafter. If the first eligible transaction occurs in fiscal years beginning after December 15, 2016, the elective adoption will be effective in the interim period that includes the date of that first in-scope transaction and subsequent interim and annual periods thereafter. Early application is permitted for any interim and annual financial statements that have not yet been made available for issuance.</p>
<p>ASU 2014-17, <i>Pushdown Accounting (a consensus of the FASB Emerging Issues Task Force)</i></p>	<p>Effective on November 18, 2014. After the effective date, an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event.</p>	<p>Effective on November 18, 2014. After the effective date, an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event.</p>
<p><b>ASC 810, Consolidation</b></p>		
<p>ASU 2015-02, <i>Amendments to the Consolidation Analysis</i></p>	<p>Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015.</p>	<p>Effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017.</p>
<p>ASU 2014-13, <i>Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity</i></p>	<p>Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted as of the beginning of an annual period. Entities may adopt using either a full or modified retrospective approach. The modified approach only impacts the annual period of adoption by recording a cumulative-effect adjustment to equity.</p>	<p>Effective for annual periods beginning after December 15, 2016, and interim and annual periods thereafter. Early adoption is permitted as of the beginning of an annual period. Entities may adopt using either a full or modified retrospective approach. The modified approach only impacts the annual period of adoption by recording a cumulative-effect adjustment to equity.</p>

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<p><b>ASU 2014-07</b> <i>Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements (a consensus of the Private Company Council)</i></p>	<p>Not applicable to public entities.</p>	<p>If elected, the accounting alternative is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity’s annual or interim financial statements have not yet been made available for issuance. The accounting alternative should be applied retrospectively to all periods presented. Prospective adoption is not permitted.</p>
<b>ASC 815, Derivatives and Hedging</b>		
<p><b>ASU 2015-13</b>, <i>Application of the Normal Purchases and Normal Sales Exception to Certain Electricity Contracts within Nodal Energy Markets</i></p>	<p>Effective upon issuance and should be applied prospectively. An entity will have the ability to designate qualifying contracts that are entered into on or after the effective date of the ASU as normal purchases and normal sales (“NPNS”). Because an entity may elect the NPNS scope exception at contract inception or at a later date, it also will be able to designate qualifying contracts entered into before the effective date as NPNS, but only prospectively.</p>	<p>Effective upon issuance and should be applied prospectively. An entity will have the ability to designate qualifying contracts that are entered into on or after the effective date of the ASU as normal purchases and normal sales (“NPNS”). Because an entity may elect the NPNS scope exception at contract inception or at a later date, it also will be able to designate qualifying contracts entered into before the effective date as NPNS, but only prospectively.</p>
<p><b>ASU 2014-16</b>, <i>Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity (a consensus of the FASB Emerging Issues Task Force)</i></p>	<p>Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015.</p>	<p>Effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016.</p>
<p><b>ASU 2014-03</b> <i>Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps - Simplified Hedge Accounting Approach (a consensus of the Private Company Council)</i></p>	<p>Not applicable to public entities.</p>	<p>If elected, the simplified hedge accounting approach will be effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted, and private companies are able (but not required) to adopt the new standards for December 31, 2013 year-end financial statements that are not yet available for issuance. Private companies have the option to apply the amendments in this Update using either a modified or full retrospective approach.</p>

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<b>ASC 820, Fair Value Measurement</b>		
<i>ASU 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) (a consensus of the Emerging Issues Task Force)</i>	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective retrospectively for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted.
<b>ASC 830, Foreign Currency Matters</b>		
<i>ASU 2013-05, Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (a consensus of the FASB Emerging Issues Task Force)</i>	Effective prospectively for all entities with derecognition events after the effective date. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 31, 2013. Early adoption is permitted. If early adoption is elected, the guidance should be applied as of the beginning of the entity's fiscal year of adoption.	Effective prospectively for all entities with derecognition events after the effective date. The guidance is effective for fiscal years beginning after December 31, 2014 and interim and annual periods thereafter. Early adoption is permitted. If early adoption is elected, the guidance should be applied as of the beginning of the entity's fiscal year of adoption.
<b>ASC 835, Interest</b>		
<i>ASU 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements (Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting)</i>	Effective upon issuance.	Effective upon issuance.
<i>ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs</i>	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted.
<b>ASC 853, Service Concession Arrangements</b>		
<i>ASU 2014-05, Service concession Arrangements (a consensus of the FASB Emerging Issues Task Force)</i>	Effective for annual periods and interim periods within those annual periods beginning after December 15, 2014. Early adoption is permitted. The amendments should be applied on a modified retrospective basis, to all arrangements existing at the beginning of the fiscal year of adoption and to all arrangements entered into after that date.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. The amendments should be applied on a modified retrospective basis, to all arrangements existing at the beginning of the fiscal year of adoption and to all arrangements entered into after that date.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<b>ASC 860, Transfers and Servicing</b>		
<p>ASU 2014-11, <i>Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures</i></p>	<p>The accounting changes and disclosure for certain transactions accounted for as a sale are effective for the first period (interim or annual) beginning after December 15, 2014. Earlier application for a public business entity is prohibited. The disclosure for transactions accounted for as secured borrowings is required for annual periods beginning after December 15, 2014, and for interim periods after March 15, 2015.</p>	<p>The accounting changes and both new disclosures are effective for annual periods beginning after December 15, 2014 and interim periods after December 15, 2015. These entities may elect early application and apply the requirements for interim periods beginning after December 15, 2014.</p>
<b>ASC 915, Development Stage Entities</b>		
<p>ASU 2014-10, <i>Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation</i></p>	<p><b>DSE requirements</b> - Effective for annual reporting periods beginning after December 15, 2014 and interim periods therein. While the elimination of the DSE financial reporting requirements applies retrospectively, the new disclosures about related risks and uncertainties are required prospectively.</p> <p>Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.</p> <p><b>Consolidation update</b> - Effective for annual reporting periods beginning after December 15, 2015 and interim periods therein.</p> <p>The amendments apply retrospectively and also generally incorporate the transition provisions of Statement 167 to address situations in which it may not be practicable to obtain the necessary information for prior years.</p> <p>Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.</p>	<p><b>DSE requirements</b> - Effective for annual reporting periods beginning after December 15, 2014, and interim periods beginning after December 15, 2015. While the elimination of the DSE financial reporting requirements applies retrospectively, the new disclosures about related risks and uncertainties are required prospectively.</p> <p>Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.</p> <p><b>Consolidation update</b> - Effective for annual reporting periods beginning after December 15, 2016 and interim reporting periods beginning after December 15, 2017.</p> <p>The amendments apply retrospectively and also generally incorporate the transition provisions of Statement 167 to address situations in which it may not be practicable to obtain the necessary information for prior years.</p> <p>Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.</p>

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<b>ASC 944, Financial Services—Insurance</b>		
ASU 2015-09, <i>Disclosures about Short-Duration Contracts</i>	Effective for annual reporting periods beginning after December 15, 2015 and interim reporting periods within annual periods beginning after December 15, 2016. Early adoption is permitted.	Effective for annual reporting periods beginning after December 15, 2016 and interim reporting periods within annual periods beginning after December 15, 2017. Early adoption is permitted.
<b>ASC 958, Not-for-Profit Entities</b>		
ASU 2013-06, <i>Services Received from Personnel of an Affiliate</i>	Not applicable to public entities.	Effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient not-for-profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date of adoption should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. Early adoption is permitted.
<b>ASC 960, Defined Benefit Pension Plans</b>		
ASU 2015-12, (Part II) <i>Plan Investment Disclosures</i> , (Part III) <i>Measurement Date Practical Expedient</i>	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all parts individually or in the aggregate. Part II of the ASU should be applied retrospectively, while Part III should be applied prospectively.	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all parts individually or in the aggregate. Part II of the ASU should be applied retrospectively, while Part III should be applied prospectively.
<b>ASC 962, Defined Contribution Pension Plans</b>		
ASU 2015-12, (Part I) <i>Fully Benefit-Responsive Investment Contracts</i> , (Part II) <i>Plan Investment Disclosures</i> , (Part III) <i>Measurement Date Practical Expedient</i>	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.
<b>ASC 962, Health and Welfare Benefit Plans</b>		
ASU 2015-12, (Part I) <i>Fully Benefit-Responsive Investment Contracts</i> , (Part II) <i>Plan Investment Disclosures</i> , (Part III) <i>Measurement Date Practical Expedient</i>	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
<b>Other</b>		
ASU 2015-10, <i>Technical Corrections and Improvements</i>	Transition guidance varies based on the individual amendments. The amendments that require transition guidance are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. All other amendments became effective upon issuance.	Transition guidance varies based on the individual amendments. The amendments that require transition guidance are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. All other amendments became effective upon issuance.

# ▶ BDO RESOURCES FOR CLIENTS AND CONTACTS

BDO USA, LLP is a national professional services firm providing assurance, tax, financial advisory, and consulting services to a wide range of publicly traded and privately held companies. We are guided by our core values: put people first; be exceptional: every day, every way; embrace change; empowerment through knowledge; and choose accountability.

For more than 100 years, we have provided quality service and leadership through the active involvement of our most experienced and committed professionals.

The firm serves clients through over 50 offices and more than 400 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multinational clients through a global network of 1328 offices in 150 countries. For further information, please refer to [BDO's website](#).

BDO commits significant resources to keep our professionals and our clients up-to-date on current and evolving technical, governance, industry, and reporting developments. Our thought leadership consists of quarterly email updates, publications, surveys, practice aids, and tools that span a broad spectrum of topics that impact financial reporting, as well as corporate governance. Our focus is not to simply announce changes in technical guidance, regulations or emerging business trends, but rather expound on how such changes may impact our clients' business. Through our various webinar series, we reach a broad audience and provide brief, engaging, just-in-time training that we make available in a variety of ways to meet the needs of your busy schedules. The following provides a sample of our offerings.

To begin receiving email notifications regarding BDO publications and event invitations (live and web-based), visit the [Registration](#) page and create a user profile. If you already have an account on BDO's website, visit the [My Profile](#) page to login and manage your account preferences.

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## BDO Knowledge Webinar Series

An educational series designed to assist those charged with governance (e.g., Audit Committees) and financial executives in keeping up to date on the latest corporate governance, risk management and financial reporting developments. The program is multi-faceted and consists of complimentary CPE webinars, podcasts and archived self-study courses, covering both broad and specific topics of interest, publications and links to various BDO and external resources.

Additionally, consider our monthly tax series that provides insights and perspectives on the tax issues most important to our clients and their businesses. Visit our [Event/Webinar page](#) for a current listing of programming available.

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## Board Governance

The BDO Board Governance resources include BDO's proprietary studies, publications, practice aids, and educational programs to keep board members of both public and private companies up to date on emerging issues and trends to assist in fulfilling their corporate oversight responsibilities. Such resources contain customized information for the various committees of the board. For example, refer to our Effective Audit Committees in the Ever Changing Marketplace practical guide and related tools. Visit our [Board Governance page](#).

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## BDO Knows: Alerts

Briefs about select technical and regulatory developments and emerging issues are made immediately available to BDO professionals and to clients. Visit our [Insights page](#).

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## BDO Knows: Financial Reporting Letters

Publications containing more in depth discussions and practical guidance on technical guidance affecting both public and private entities. Visit our [Insights page](#).

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## Client Advisories

Concise documents that provide timely commentary, analysis and insights on events and trends of interest to management and boards of directors. Visit our [Insights page](#).

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## Tax Newsletters and Alerts

Updates with respect to federal, state, local, expatriate, and international developments along with other specific tax planning and strategy considerations including specific practice areas such as compensation and benefits, private client and individual filer services, transfer pricing, Foreign Account Tax Compliance Act, etc. Visit our [Insights page](#).

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## Industry Newsletters, Alerts, Reports, Proprietary Studies, and Surveys

A variety of publications depicting specific industry issues, emerging trends and developments. Visit our [Insights page](#).

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## Industry Experience

Industry experience has emerged at the top of the list of what businesses need and expect from their accountants and advisors. The power of industry experience is perspective - perspective we bring to help you best leverage your own capabilities and resources.

BDO's industry focus is part of who we are and how we serve our clients and has been for over a century. We demonstrate our experience through knowledgeable professionals, relevant client work and participation in the industries we serve.

For further information on the following BDO industries, please visit our [Industries page](#).

- Consumer Business
- Financial Services
- Gaming, Hospitality & Leisure
- Government Contracting
- Healthcare
- Manufacturing & Distribution
- Natural Resources
- Nonprofit & Education
- Private Equity
- Public Sector
- Real Estate & Construction
- Restaurants
- Technology & Life Sciences