



**New Accounting
Standards Upcoming
Effective Dates for Public
and Private Companies**

In this publication, we've summarized the new accounting standards with mandatory¹ effective dates in the first quarter of 2021 for public entities, as well as new standards that take effect in annual 2020 financial statements for nonpublic entities. Those effective dates reflect the deferral of certain major standards provided in [ASU 2019-10](#) and [ASU 2020-05](#). We have also included links to BDO's guidance on each pronouncement as applicable.

In the next filing season, calendar year-end public entities will prepare their annual 2020 financial statements, followed closely by their March 31, 2021 first quarter reports. The 2020 annual filings will disclose under SAB 74 the anticipated effects that the FASB's new standards will have on the financial statements when they are adopted. Any standards issued after the date of this publication are unlikely to impact first quarter financial statements but should be considered in preparing SAB 74 disclosures.

On a similar timeline, calendar year-end nonpublic entities will prepare their annual 2020 financial statements reflecting standards that took effect in 2020. For nonpublic entities that elected to defer the new revenue standard² as permitted by ASU 2020-05, its initial application will represent a significant change and may involve substantial effort. The FASB has deferred the effective date of the new leases³ standard until 2022 and the credit losses standard⁴ until 2023 for nonpublic entities.

Early adoption is generally permitted for all of the standards summarized herein, but each ASU has specific transition guidance and early adoption may have been limited to certain periods or circumstances. Please refer to BDO's alerts for more information.

¹ Standards that become effective later but that can be early adopted currently are excluded.

² ASC 606 *Revenue from Contracts with Customers*.

³ ASC 842, *Leases*.

⁴ ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, and related amendments.



ACCOUNTING STANDARDS UPDATES EFFECTIVE FOR CALENDAR-YEAR PUBLIC ENTITIES AS OF JANUARY 1, 2021

Pronouncement	Effective Date	BDO Alert
ASC 310-20, Receivables—Nonrefundable Fees and Other Costs		
ASU 2020-08 , <i>Codification Improvements to Subtopic 310-20, Receivables—Nonrefundable Fees and Other Costs</i>	Effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.	N/A
ASC 321, Investments—Equity Securities		
ASU 2020-01 , <i>Clarifying the Interactions between Topic 321, Topic 323, Equity Method and Joint Ventures, and Topic 815, Derivatives and Hedging</i>	Effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.	ASU 2020-01 Alert
ASC 715-20, Compensation—Retirement Benefits—Defined Benefit Plans		
ASU 2018-14 , <i>Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans</i>	Effective for fiscal years ending after December 15, 2020.	ASU 2018-14 Alert
ASC 740, Income Taxes		
ASU 2019-12 , <i>Simplifying the Accounting for Income Taxes</i>	Effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years.	ASU 2019-12 Alert
ASC 848, Reference Rate Reform		
ASU 2020-04 , <i>Facilitation of the Effects of Reference Rate Reform on Financial Reporting</i>	Effective as of March 12, 2020 through December 31, 2022.	ASU 2020-04 Alert
Other		
ASU 2020-10 , <i>Codification Improvements</i>	Effective for annual periods beginning after December 15, 2020.	N/A

ACCOUNTING STANDARDS UPDATES EFFECTIVE FOR CALENDAR-YEAR NONPUBLIC ENTITIES AS OF JANUARY 1, 2020

Pronouncement	Effective Date	BDO Alert
ASC 310-20, Receivables—Nonrefundable Fees and Other Costs		
ASU 2017-08 , <i>Premium Amortization on Purchased Callable Debt Securities</i>	Effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.	ASU 2017-08 Alert
ASC 606, Revenue from Contracts with Customers ASC 610-20, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets		
ASU 2014-09 , <i>Revenue from Contracts with Customers</i> ASU 2015-14 , <i>Deferral of the Effective Date</i> ASU 2016-08 , <i>Principal versus Agent Considerations (Reporting Revenue Gross versus Net)</i> ASU 2016-10 , <i>Identifying Performance Obligations and Licensing</i> ASU 2016-12 , <i>Narrow-Scope Improvements and Practical Expedients</i> ASU 2016-20 , <i>Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers</i> ASU 2017-05 , <i>Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets</i> ASU 2020-05 , <i>Effective Dates for Certain Entities</i>	<p>For entities that have not yet issued financial statements or made financial statements available for issuance as of June 3, 2020, those entities may elect to adopt the revenue guidance for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Those entities may elect to follow the original effective date of annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019.</p> <p>For all other nonpublic entities, the guidance is already effective.</p>	BDO Knows: ASC 606 ASU 2017-05 Alert ASU 2020-05 Alert

Pronouncement	Effective Date	BDO Alert
ASC 718, Compensation—Stock Compensation		
ASU 2018-07 , Improvements to Nonemployee Share-Based Payment Accounting	Effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.	ASU 2018-07 Alert
ASU 2019-08 , Codification Improvements—Share-Based Consideration Payable to a Customer	<p>For entities that have adopted the amendments in ASU 2018-07, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p> <p>For entities that have not yet adopted the amendments in ASU 2018-07, the amendments are effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020.</p>	ASU 2019-08 Alert
ASC 815, Derivatives and Hedging		
ASU 2017-11 , <i>Accounting for Certain Financial Instruments with Down Round Features</i>	Effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020.	ASU 2017-11 Alert
ASU 2018-16 , <i>Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes</i>	For entities other than public business entities that already have adopted the amendments in ASU 2017-12 ⁵ , the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.	ASU 2018-16 Alert
ASC 820, Fair Value Measurement		
ASU 2018-13 , <i>Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</i>	Effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.	ASU 2018-13 Alert

⁵ The amendments in ASU 2017-12 and ASU 2018-16 are mandatorily effective for fiscal years beginning after December 15, 2020, as deferred by ASU 2019-10.

Pronouncement	Effective Date	BDO Alert
ASC 825, Financial Instruments		
ASU 2019-04 , <i>Codification Improvements to Topic 825</i>	The amendments in this ASU related to ASU 2016-01 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.	ASU 2019-04 Alert
ASC 848, Reference Rate Reform		
ASU 2020-04 , <i>Facilitation of the Effects of Reference Rate Reform on Financial Reporting</i>	Effective as of March 12, 2020 through December 31, 2022.	ASU 2020-04 Alert
ASC 853, Service Concession Arrangements		
ASU 2017-10 , <i>Determining the Customer of the Operation Services</i>	For entities that have not yet adopted ASC 606 before the issuance of this ASU, the effective date and transition requirements for the amendments generally are the same as the effective date and transition requirements for ASC 606.	ASU 2017-10 Alert
ASC 958, Not-for-Profit Entities		
ASU 2018-08 , <i>Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made</i>	For contributions Made - effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.	ASU 2018-08 Alert
ASU 2019-03 , <i>Updating the Definition of Collections</i>	Effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020.	ASU 2019-03 Alert
Other		
ASU 2018-09 , <i>Codification Improvements</i>	Certain amendments are effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020.	ASU 2018-09 Alert

Pronouncement	Effective Date	BDO Alert
ASU 2020-03 , <i>Codification Improvements to Financial Instruments</i>	<p>The amendments related to Issues 1 through 5 are effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020.</p> <p>The amendments related to Issues 6 and 7:</p> <p>For entities that have not yet adopted the guidance in Update 2016-13, the effective dates and the transition requirements are the same as the effective date and transition requirements in Update 2016-13.</p> <p>For entities that have adopted the guidance in Update 2016-13, effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.</p>	ASU 2020-03 Alert

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