

Quarterly Perspectives: FASB 4Q 2023

This paper provides an overview of final standards issued by FASB in the fourth quarter, along with updates on outstanding exposure drafts and ongoing projects. The developments included in this update are intended to be a reminder of recently issued accounting guidance that may affect you. This quarterly update is intended as general information and should not be relied upon as being definitive or all-inclusive.

Highlights

FASB had a very busy fourth quarter issuing four final Accounting Standards Updates (ASUs)—SEC disclosures incorporated into GAAP, segment reporting, crypto assets, and income tax disclosures. FASB also has ratified—but not released at the time of this publication—an exposure draft on induced conversions of convertible debt. FASB moved a project on government grants from its research agenda to an active project and began deliberations. FASB also added projects on the definition of a derivative and statement of cash flows to its research agenda during the quarter.

In November, FASB hosted a post-implementation review of the revenue recognition guidance in Accounting Standards Codification (ASC) 606. Roundtable attendees included representatives from the top eight public accounting firms (including **FORVIS**), financial statement preparers, and analysts. While no areas were identified for a major overhaul, several firms cited higher ongoing costs on certain judgment areas:

- Principle versus agent – Requests included clarity on point of view and third-party fulfillment and more realistic examples. Industries facing the greatest challenges were managed healthcare and technology.
- Contract modifications
- Identifying performance obligations
- Variable considerations

Additional revenue relief could be considered for private companies either as practical expedients or accounting alternatives.

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

Final ASUs Issued in 4Q 2023

Topic & Title	Description	Effective Dates	
		SEC Filers	Other Entities
<p>ASU 2023-06 Disclosures (Various Topics) <i>Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative</i></p> <p>Issued: October 9, 2023</p> <p>Resource: FASB Adds Certain SEC Disclosures to GAAP</p>	<p>Additions to GAAP that were previously included in SEC guidance include changes to interim reporting, earnings per share, debt, consolidation, derivative and repo disclosures, foreign exchange, real estate investment trusts, and oil and gas industry-specific disclosures.</p>	<p>For SEC filers, the effective date for each amendment will be the effective date when the SEC removes the related disclosure from Regulation S-X or Regulation S-K. For all other entities, the ASU is effective two years later.</p> <p>FORVIS will continue to provide updates on timing.</p>	
		Public Entities	
<p>ASU 2023-07 Segment Reporting (Topic 280) <i>Improvements to Reportable Segment Disclosures</i></p> <p>Issued: November 27, 2023</p> <p>Resource: FASB Mandates New Segment Details for Public Companies in 2024</p>	<ul style="list-style-type: none"> - On an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit/loss and an amount for other segment items by reportable segment with a description of its composition. - All annual disclosures about a reportable segment's profit/loss would now be required in interim periods. - Guidance for multiple measures of a segment's profit or loss. - Title and position of the individual or the name of the committee identified as the CODM. - A public entity with a single reportable segment would be required to provide all the new disclosures and all existing segment disclosures in ASC 280. 	<p>Fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted.</p>	

Topic & Title	Description	Effective Dates	
		All Entities	
<p>ASU 2023-08 Intangibles-Goodwill and Other – Crypto Assets (Subtopic 350-60)</p> <p><i>Accounting for and Disclosure of Crypto Assets</i></p> <p>Issued: December 13, 2023</p> <p>Resource: Details on FASB's New Crypto Guidance</p>	<p>Fair value accounting requires increased disclosures for entities holding certain crypto assets.</p>	<p>Fiscal years beginning after December 15, 2024, including interim periods within those fiscal years</p>	
		PBEs	All Others
<p>ASU 2023-09 Income Taxes (Topic 740)</p> <p><i>Improvements to Income Tax Disclosures</i></p> <p>Issued: December 14, 2023</p> <p>Resource: FASB Finalizes New Income Tax Disclosures</p>	<p>New annual tabular income tax reconciliation for PBEs. All entities would be required to break out federal, state, and foreign taxes with a disaggregation for jurisdictions that exceed 5% of income taxes paid.</p>	<p>Annual periods beginning after December 15, 2024</p>	<p>Annual periods beginning after December 15, 2025</p>

Concepts Statement Drafts Issued 4Q 2023

The Conceptual Framework is a body of interrelated objectives and fundamentals that provides FASB with a useful tool as it sets standards. A Statement of Financial Accounting Concepts is nonauthoritative and does not establish or change GAAP and does not override authoritative standards. If accounting for a transaction or event is not specified in authoritative GAAP, an entity first must consider accounting principles for similar transactions or events within authoritative GAAP and then consider nonauthoritative guidance from other sources (including Concepts Statements).

Concept Statement	Description	Status
<p>Conceptual Framework for Financial Reporting – Chapter 6 – Measurement</p> <p>Issued: December 21, 2023</p>	<p>The proposal provides concepts for FASB to consider when choosing a measurement system for an asset or a liability recognized in general purpose financial statements. It describes:</p> <p>a. Two relevant and representationally faithful measurement systems: the entry price system and the exit price system.</p> <p>b. Considerations when selecting a measurement system.</p>	<p>Comments are due March 20, 2024.</p>

Outstanding Proposals

The following chart includes proposed updates where FASB has not issued a final pronouncement as of this publication's date. FASB will determine the effective dates of the proposed amendments—if issued as a final ASU—after it considers feedback on the amendments. Unless otherwise noted, comment periods are closed. Fourth-quarter updates are **bolded**.

Topic & Title	Description	Status
Proposed ASUs		
<p>Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)</p> <p><i>Disaggregation of Income Statement Expenses</i></p> <p>Issued: July 31, 2023</p> <p>Resource: New Expense Details Coming for Public Companies?</p>	<p>The amendments would require PBEs to provide additional detailed information—on an annual and interim basis—about the types of expenses (including inventory and manufacturing, employee compensation, depreciation, and amortization) included within commonly presented expense line items: cost of sales; selling, general, and administrative; and research and development.</p> <p><i>FASB received 79 comment letters. Feedback was negative for preparers, primarily citing cost. Insurers, homebuilders, and aerospace contractors noted the existing level of disclosure was sufficient for investor analysis. Clarity was sought on compensation for multinationals and contractor versus employee considerations. Audit firms also cited costs and requested long implementation dates. Only one investor responded and agreed with half of the proposed breakouts.</i></p>	<p>A roundtable was held on December 13, 2023 to solicit additional feedback from accounting firms, analysts, and preparers.</p>
<p>Compensation—Stock Compensation (Topic 718)</p>	<p>The amendments would add an illustrative example (with four fact patterns) on how an entity would apply ASC 718 scope guidance.</p>	<p>A final ASU is expected 1Q 2024</p>

<p>Scope Application of Profits Interest Awards</p> <p>Issued: May 11, 2023</p> <p>Resource: Clarity Coming for Profits Interest Accounting?</p>	<p>FASB received 21 comment letters, primarily from CPA societies and CPA firms. Respondents overwhelmingly supported additional clarity on this topic. There were several editorial suggestions and requests for additional illustrations.</p> <p>On November 1, 2023, FASB reviewed comment letter feedback and approved the issuance of a final ASU with an effective date for all entities for fiscal periods beginning after December 15, 2025 for all entities. Early adoption will be permitted.</p>	
<p>Financial Instruments— Credit Losses (Topic 326)</p> <p>Purchased Financial Assets</p> <p>Issued: June 27, 2023</p> <p>Resource: Changes Coming for Acquired Financial Assets Accounting?</p>	<p>The project will consider expanding the scope of the purchased credit deteriorated (PCD) accounting model to all loans acquired in a business combination.</p> <p><i>Thirty-four comment letters were received, and feedback was mixed, similar to the original CECL deliberations. Several requested additional time to comment. Two letters highlighted operational challenges for credit card and revolving arrangements. Most notably, a joint letter from the four banking regulators, the Federal Reserve, FDIC, National Credit Union Administration, and the Office of the Comptroller of the Currency, opposed the changes.</i></p>	<p>A final ASU is expected 1Q 2024</p>
<p>Interim Reporting (Topic 270)</p> <p>Narrow Scope Improvements</p> <p>Issued: November 1, 2021</p> <p>Resource: FASB Rethinks Interim Reporting – Second Proposal Coming</p>	<p>The proposal incorporates into GAAP SEC Regulation S-X guidance that requires disclosure at interim periods when a significant event or transaction has occurred since the prior year-end that has a material effect on an entity.</p> <p>FASB met on November 15, 2023 to review research that the initial list of interim requirements was incomplete and agreed to a methodology to ensure completeness. Due to this change, a second exposure draft is planned.</p>	<p>A revised exposure draft is planned 2Q 2024</p>
<p>Codification Improvements</p> <p>Amendments to Remove References to Concepts Statements</p> <p>Issued: November 26, 2019</p>	<p>The proposal would remove references to various Concepts Statements. In most instances, the references are extraneous and not required to understand or apply the guidance. In other instances, the references are a substitute for actual wording from a Concepts Statement.</p> <p>FASB met on October 4, 2023 and approved issuance of a final standard with minor edits to the proposal.</p>	<p>A final ASU is expected 1Q 2024</p>
<p>Derivatives and Hedging (Topic 815)</p>	<p>Additional clarifications on the following issues:</p> <ul style="list-style-type: none"> ▪ Change in hedged risk in a cash flow hedge 	

<p><i>Hedge Accounting Improvements</i></p> <p>Issued: November 12, 2019</p>	<ul style="list-style-type: none"> ▪ Contractually specified components in cash flow hedges of nonfinancial forecasted transactions ▪ Foreign currency-denominated debt instruments as hedging instrument and hedged item (dual hedge) ▪ “Prepayable” definition in the shortcut method ▪ <i>Shared risk assessment in cash flow hedges of loan portfolios</i> ▪ <i>Written options as hedges</i> <p><i>FASB met on October 11, 2023 to review comment letter feedback on three issues. FASB affirmed proposed changes on dual hedges and did not affirm changes to “prepayable.” FASB will update the guidance for applying the written option test when the designated hedging instrument in a cash flow hedge is a compound derivative made up of a written option and a non-option derivative.</i></p>	
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Ongoing Projects

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

Recognition & Measurement Projects

Accounting for Environmental Credit Programs

Initial deliberations

Added to agenda May 2022

This project will address the recognition, measurement, presentation, and disclosure requirements for participants in compliance and voluntary programs that result in the creation of environmental credits and for the nongovernmental creators of environmental credits.

FASB met on October 11, 2023 and concluded that scope would cover environmental credits defined as follows: An enforceable right that is acquired, internally generated, or granted by a regulatory agency or its designees that meets all the following:

1. **Lacks physical substance and is not a financial asset.**
2. **Is represented to prevent, control, reduce, or remove emissions or other pollution.**
3. **Is separately transferable in an exchange transaction.**
4. **Is not an income tax credit that may be used to settle an entity's income tax liability, regardless of whether the entity has a tax liability or intends to use the credit for that purpose.**

Environmental credits could be in a variety of forms: credits, certificates, allowances, or offsets. The existence of active markets would not be a consideration for determining whether a credit is separately transferable in an exchange transaction.

Accounting for and Disclosure of Software Costs

Initial deliberations

Added to agenda June 2022

Resource: [Updates on FASB's Software Cost Proposal](#)

The project's goal is to modernize the accounting for software costs and enhance the transparency about an entity's software costs.

On September 20, 2023, FASB met to provide direction on a potential path forward on the capitalization threshold, unit of account, and subsequent measurement issues.

FASB decided on a parallel path forward:

- Single model
- Targeted improvements to existing guidance in ASC 350 to better accommodate agile development

<p>Induced Conversion of Convertible Debt Instruments</p> <p>Exposure draft ratified</p> <p>Added to agenda April 2023</p>	<p>An agenda request was submitted to address whether certain convertible debt instruments settled using terms that differ from the stated contractual conversion provisions should be accounted for as an induced conversion or extinguishment.</p> <p><i>On October 4, 2023, FASB ratified issuance of an exposure draft to be issued in late December with a 90-day comment period.</i></p>
<p>Government Grants</p> <p>Initial deliberations</p> <p>Added to agenda November 2023</p>	<p><i>The project will develop accounting guidance for recognizing and reporting government grants.</i></p> <p><i>Preliminary decision reached on November 1, 2023:</i></p> <ul style="list-style-type: none"> • <i>Scope will include transfers of monetary and tangible nonmonetary assets from a government to a business entity; excluded items include exchange transactions, including transactions with a government that are within the scope of ASC 606, ASC 610-20, and items accounted for under ASC 740m as well as below-market interest rate loans and government guarantees.</i> • <i>A government grant should be recognized when it is probable that (1) the entity will comply with the conditions of the grant and (2) the grant will be received.</i> • <i>A government grant related to income should be recognized in the income statement in the periods in which the entity incurs the grant-related costs.</i> • <i>The grant should be presented on the balance sheet as deferred income and on the income statement, separately, as a credit balance in the related income statement category.</i> • <i>The board decided that a government grant related to assets, i.e., a monetary grant for the acquisition or construction of an asset as well as a grant of a nonmonetary asset, should be recognized as part of the cost of the asset, i.e., a cost-accumulation approach.</i> • <i>Cash flows from government grants should follow ASC 230.</i> • <i>In-scope grants should apply disclosures in ASC 832, but FASB may consider additional disclosures.</i>

Research Projects

Newly Added Projects

- **Statement of Cash Flows** – The project will make targeted improvements to provide investors with additional decision-useful information. Initial areas of focus will include disclosure on cash interest received and reorganizing the statement of cash flows for financial institutions with a required subtotal within the operating sections for net interest income-related adjustments.

- **Definition of a Derivative** – This project will consider refinements to the scope of Topic 815, *Derivatives and Hedging*, including certain aspects of the definition of a derivative and derivative scope exceptions, and the application to certain arrangements (such as research and development funding arrangements and financial instruments with environmental, social, and governance-linked features).

Ongoing Projects

- **Accounting for and Disclosure of Intangibles** – The research will consider potential ways to improve the accounting for and disclosure of intangibles, including internally developed intangibles and research and development. On June 22, 2022, FASB reviewed research performed to date. Board members provided suggestions on and observations about the focus and prioritization for continued research efforts.
- **Consolidation for Business Entities** – This research project will explore whether a single consolidation model could be developed for business entities. This research project does not include reconsideration of the consolidation guidance in Topic 958, *Not-for-Profit Entities*.
- **Accounting for Commodities** – This research project will explore accounting for and disclosure of commodities.
- **Financial Key Performance Indicators for Business Entities** – This research project will explore standardizing the definitions of financial key performance indicators, following the progress of the Disaggregation Income Statement Expenses project, and considering interactions with the regulatory framework.

Conclusion

The assurance team at FORVIS delivers extensive experience and skilled professionals to assist with your objectives. Our proactive approach includes candid and open communication to help address your financial reporting needs. At the end of the day, we know how important it is for you to be able to trust the numbers; our commitment to independence and objectivity helps provide the security and confidence you desire. Whether you are publicly traded or privately held, FORVIS can help provide an independent and objective view into your financial reporting. We leverage some of the latest technologies and process automation tools to provide companies assurance on their financial statements to help meet stakeholders' needs.

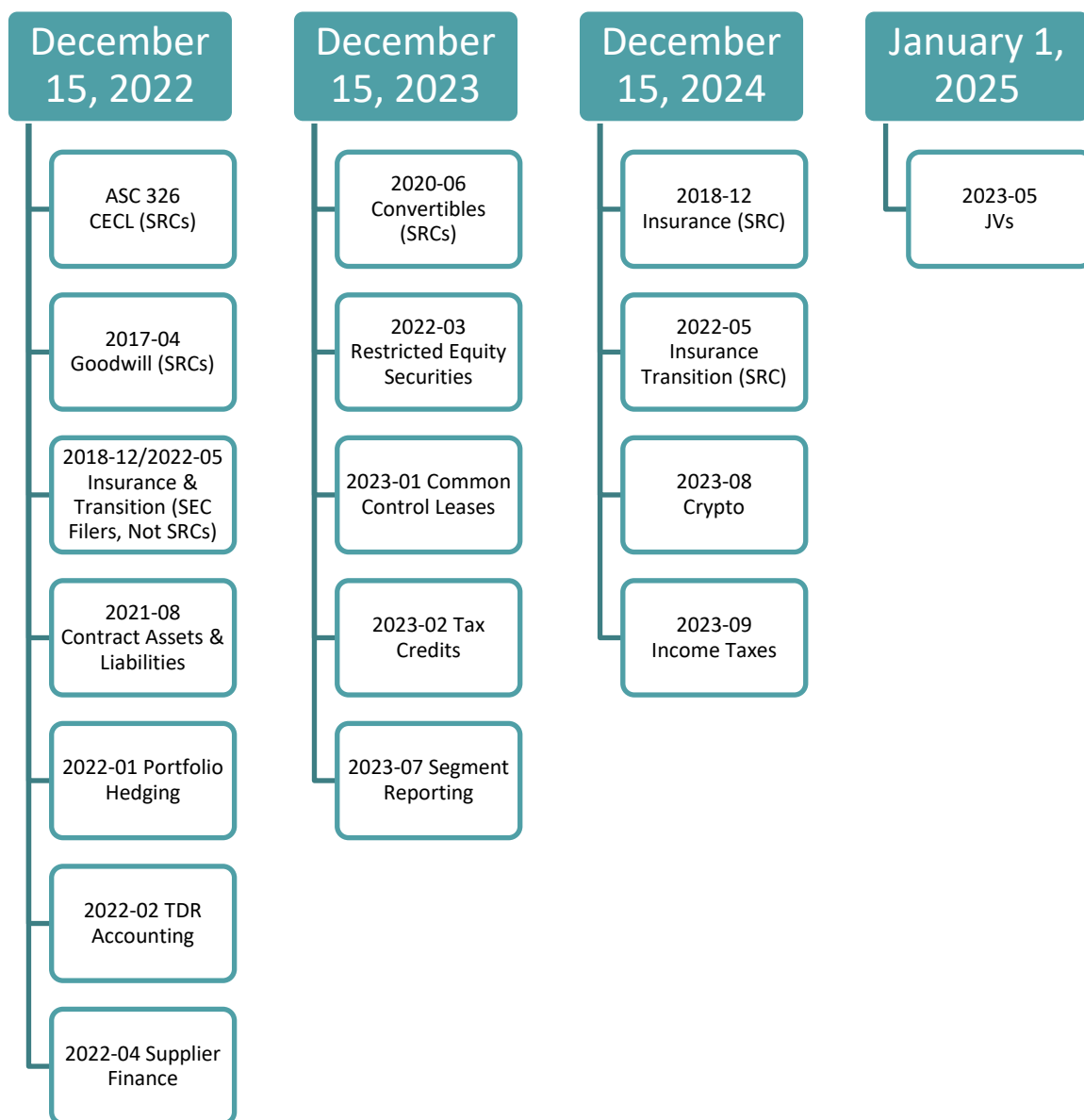
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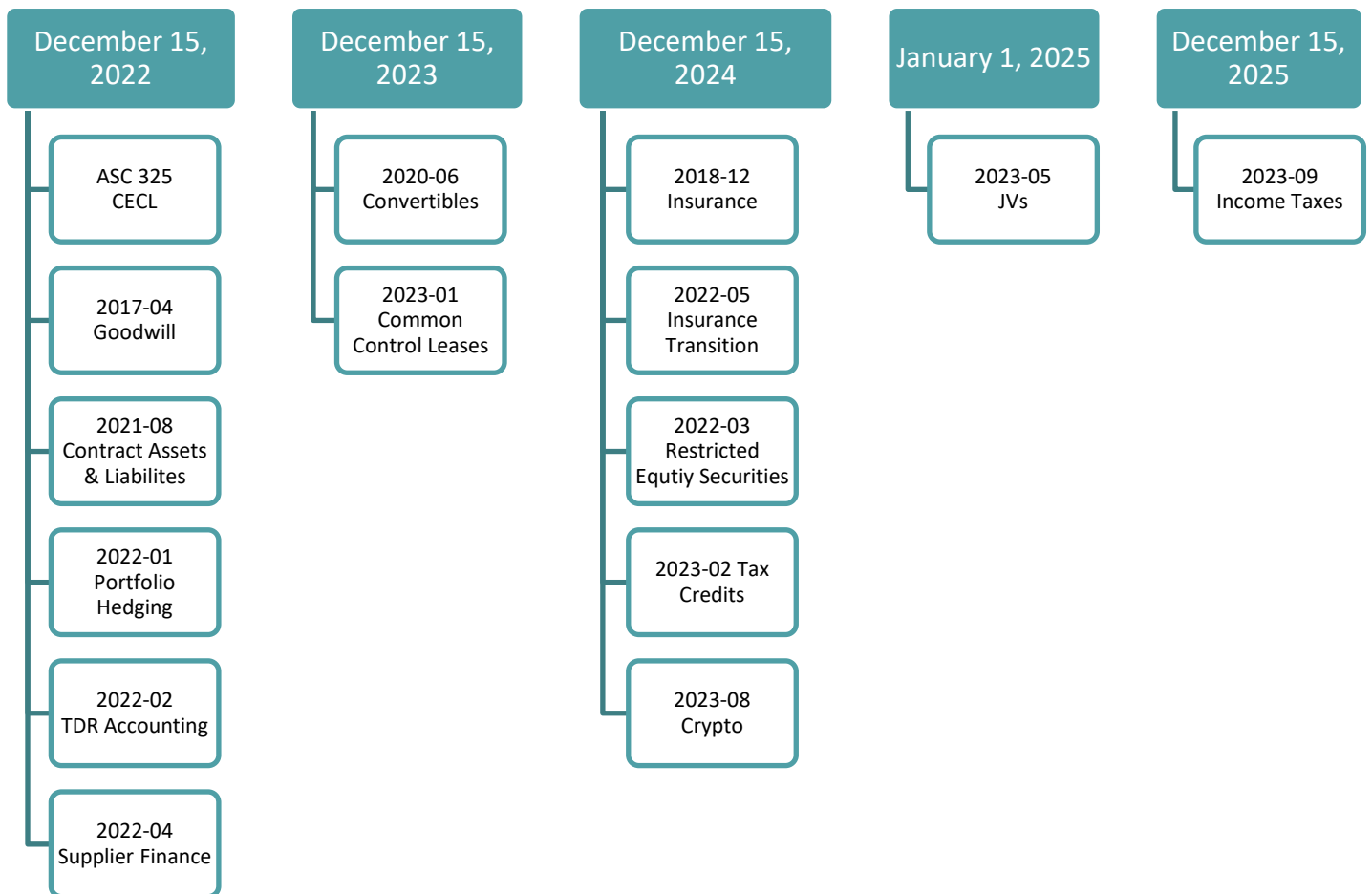
Appendix A – Effective Dates for PBEs & Public Entities For fiscal years/annual periods beginning after:



Do not forget about 2023-06 SEC disclosures moving into GAAP, which is effective for SEC filers upon future SEC rulemaking.

Appendix B – Effective Dates for Non-PBEs

For fiscal years/annual periods beginning after:



Do not forget about 2023-06 SEC disclosures moving into GAAP, which will be effective for entities that are not SEC filers two years after future SEC rulemaking.

Appendix C

Effective on Issuance

Topic & Title	Description	Effective Dates	
		PBEs	Other Entities
<p>ASU 2023-03 Various Topics</p> <p><i>Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin (SAB) No. 120</i></p> <p>Issued: July 14, 2023</p>	<p>This ASU cleans up SEC guidance codified in GAAP that was superseded by the issuance of ASU 2018-07. No change to current practice.</p>	Upon Issuance	
<p>ASU 2023-04 Liabilities (Topic 405)</p> <p><i>Amendments to SEC Paragraphs Pursuant to SEC SAB No. 121 (SEC Update)</i></p> <p>Issued: August 3, 2023</p>	<p>This ASU updates SEC guidance codified in GAAP with the issuance of SAB 121, Accounting for Obligations to Safeguard Crypto-Assets an Entity Holds for its Platform Users. The SAB references existing guidance in FASB ASCs or in International Financial Reporting Standards guidance.</p>	Upon Issuance	

Effective for 2023 Calendar Year-Ends for Certain PBEs

Topic & Title	Description	Effective Date	
		PBEs (Not SRCs)	Other Entities
<p>ASU 2016-13 Financial Instruments—Credit Losses (Topic 326) – CECL</p> <p><i>Measurement of Credit Losses on Financial Instruments</i></p> <p>Resource: An Updated Look at CECL (Including subsequent amendments)</p>	<p>Applies to all entities holding financial assets not accounted for at fair value through net income. At inception and each reporting date, entities will recognize an allowance for lifetime expected credit losses.</p>	Already effective	Fiscal years beginning after December 15, 2022, including interim periods

<p>ASU 2017-04 Intangibles—Goodwill and Other (Topic 350)</p> <p><i>Simplifying the Test for Goodwill Impairment</i></p>	<p>Removes Step 2 from the impairment test; the same one-step impairment test applies to all reporting units, including those with zero or negative carrying amounts.</p>	<p>Already effective</p>	<p>Interim or annual goodwill impairment testing in fiscal years beginning after December 15, 2022</p>
<p>ASU 2018-12 & ASU 2020-11 Financial Services—Insurance (Topic 944)</p> <p><i>Targeted Improvements to the Accounting for Long-Duration Contracts</i></p> <p><i>Effective Date and Early Application</i></p> <p>Resource: What You Need to Know: Long-Duration Insurance Contracts</p>	<p>The new guidance:</p> <ul style="list-style-type: none"> • Requires annual assumptions update for liability measurement • Standardizes liability discount rate • Improves measurement of market risk benefits • Simplifies amortization of deferred acquisition costs on a more level basis • Requires significant new disclosures 	<p>Fiscal years beginning after December 15, 2022, including interim periods</p>	<p>Fiscal years beginning after December 15, 2024 and interim periods beginning after December 15, 2025</p>
<p>ASU 2022-05 Financial Services—Insurance (Topic 944)</p> <p><i>Transition for Sold Contracts</i></p> <p>Resource: Relief on Long-Duration Insurance Transition</p>	<p>The ASU creates an accounting policy election on a transaction-by-transaction basis whereby an insurer could opt out of applying ASU 2018-12 to certain contracts or legal entities sold or disposed before the effective date. The relief would be limited to contracts or legal entities in which the insurer does not have continuing involvement.</p>	<p>Fiscal years beginning after December 15, 2022, including interim periods</p>	<p>Fiscal years beginning after December 15, 2024 and interim periods beginning after December 15, 2025</p>

Topic & Title	Description	Effective Date	
		PBEs	Other Entities
<p>ASU 2021-08 Business Combinations (Topic 805)</p> <p><i>Accounting for Contract Assets and Contract Liabilities from Contracts with Customers</i></p>	<p>The ASU requires an acquirer to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606.</p>	<p>Interim and annual fiscal years beginning after December 15, 2022</p>	<p>Interim and annual fiscal years beginning after December 15, 2023</p>

<p>Resource: Refresher on Contract Assets & Liabilities in a Business Combination</p>			
<p>ASU 2022-01 Derivatives and Hedging (Topic 815) <i>Fair Value Hedging—Portfolio Layer Method</i></p> <p>Resource: Updates on Hedge Accounting for Private Companies</p>	<p>The ASU expands the current single-layer model to allow multiple-layer hedges of a single closed portfolio of financial assets or one or more beneficial interests secured by a portfolio of financial instruments. This allows an entity to achieve hedge accounting for a great proportion of the interest rate risk for assets in a closed portfolio.</p>	<p>Fiscal years beginning after December 15, 2022, including interim periods</p>	<p>Fiscal years beginning after December 15, 2023, including interim periods</p>
<p>ASU 2022-04 Liabilities—Supplier Finance Programs (Subtopic 405-50) <i>Disclosure of Supplier Finance Program Obligations</i></p> <p>Resource: New Disclosures for Supply Finance Arrangements</p>	<p>The ASU requires the buyer in a supplier finance program to disclose qualitative and quantitative information about the program to allow an investor to understand the program’s nature, activity during the period, changes from period to period, and potential magnitude.</p>	<p>Disclosures Annual and interim periods beginning after December 15, 2022</p> <p>Rollforward Fiscal years ending after December 15, 2023</p>	

Topic & Title	Description	Effective Date	
		CECL Already Adopted	All Others
<p>ASU 2022-02 Financial Instruments—Credit Losses (Topic 326) <i>Troubled Debt Restructurings and Vintage Disclosures</i></p> <p>Resource: CECL Implementation Reminder</p>	<p>The ASU eliminates troubled debt restructuring (TDR) accounting and adds new disclosures on modifications for borrowers with financial difficulty. The ASU also requires gross vintage disclosures for PBEs only.</p>	<p>Fiscal years beginning after December 15, 2022, including interim periods</p>	<p>Upon adoption of CECL</p>

Effective for 2024 Calendar Year-Ends for PBEs

Topic & Title	Description	Effective Date
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		PBEs (Not SRCs)	Other Entities
<p>ASU 2020-06 Debt (Topic 470) and Derivatives and Hedging (Topic 815)</p> <p><i>Accounting for Convertible Instruments and Contracts in an Entity's Own Equity</i></p> <p>Resource: Accounting for Convertible Instruments – Refresher for Private Companies</p>	<p>The ASU reduces the number of accounting models available for convertible debt securities, resulting in fewer embedded conversion features being separately recognized from the host contract. The ASU also amends guidance for the derivatives scope exception for contracts in an entity's own equity. It removes three conditions required to qualify for the settlement guidance related to settlement in unregistered shares, collateral requirements, and shareholder rights.</p>	<p>Already effective</p>	<p>Annual and interim reporting periods beginning after December 15, 2023</p>

Topic & Title	Description	Effective Date	
		PBEs	Other Entities
<p>ASU 2022-03 Fair Value Measurement (Topic 820)</p> <p><i>Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i></p> <p>Issued: June 30, 2022 Resource: Prepared for New Fair Value Guidance for Restricted Equity Securities?</p>	<p>The ASU clarifies that a contractual restriction on the sale of an equity security is not considered part of the security's unit of account and should not be considered in measuring fair value. Entities also are now prohibited from recognizing and measuring the contractual sales restriction as a separate unit of account, e.g., as a liability or contra-asset.</p>	<p>Annual and interim reporting periods beginning after December 15, 2023</p>	<p>Annual and interim reporting periods beginning after December 15, 2024</p>
<p>ASU 2023-01 Leases (Topic 842)</p> <p><i>Common Control Arrangements</i></p> <p>Issued: March 27, 2023 Resource: FASB Finalizes Common Control Lease Relief</p>	<p>The ASU addresses the following issues: A. Terms and conditions to be considered for arrangements between entities under common control in determining whether a lease exists, and if so, the classification and accounting B. The accounting for leasehold improvements under ASC 842 when the lease term in a common control lease is shorter than the economic life of the leasehold improvements</p>	<p>Fiscal years beginning after December 15, 2023. Early adoption permitted for interim and annual financial statements that have not yet been made available for issuance</p>	

<p>ASU 2023-02 Investments—Equity Method and Joint Ventures (Topic 323) <i>Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method</i></p> <p>Issued: March 29, 2023 Resource: Proportional Amortization Option for More Tax Credit Programs & LIHTC Accounting Changes</p>	<p>The ASU expands the proportional amortization method accounting election—under certain conditions—to other existing programs, such as the New Markets Tax Credit (NMTC), Historic Rehabilitation Tax Credit (HTC), and Renewable Energy Tax Credit (RETC). Additional disclosures also would be required. Certain existing specialized guidance for Low-Income Housing Tax Credit (LIHTC) investments has been removed to provide more comparable accounting for all tax programs.</p> <p>FASB acknowledged that some NMTCs may not be able to take advantage of this election.</p>	<p>Fiscal years beginning after December 15, 2023, including interim periods</p>	<p>Fiscal years beginning after December 15, 2024, including interim periods</p>
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Effective for 2025 Calendar Year-Ends for PBEs

Topic & Title	Description	Effective Dates	
		PBEs	Other Entities
<p>ASU 2023-05 Business Combinations—Joint Venture Formations (Subtopic 805-60) <i>Recognition and Initial Measurement</i></p> <p>Issued: August 23, 2023 Resource: New JV Accounting Rules – Fair Value Required</p>	<p>The ASU provides—for the first time—recognition and initial measurement for joint ventures (JVs). To reduce diversity in practice and provide decision-useful information to investors, a JV would be required to apply a new basis of accounting. At formation, a newly formed JV would initially generally measure its assets and liabilities at fair value.</p>	<p>For JV formations on or after January 1, 2025</p>	