

FASB SEEKS PUBLIC COMMENT ON PROPOSAL TO OFFER LIMITED EFFECTIVE DATE DELAYS ON TIME-SENSITIVE STANDARDS

Would Affect Certain Private Companies and Organizations Applying Leases, Revenue Recognition Guidance

Norwalk, CT, April 21, 2020—The Financial Accounting Standards Board (FASB) today issued a proposed Accounting Standards Update (ASU) that would grant a one-year effective date delay for certain stakeholders applying leases and revenue recognition guidance. Stakeholders are encouraged to review and provide comment on the proposed ASU by May 6, 2020.

“The FASB’s proposal to delay time-sensitive standards would provide a measure of relief to certain companies and organizations focused on the COVID-19 crisis,” stated FASB Chairman Russell G. Golden. “It’s the first in a series of steps the Board is taking to ensure our stakeholders can successfully implement GAAP guidance during this time.”

The leases effective date deferral would be limited to private companies, private not-for-profit organizations, and public not-for-profit organizations that have not yet issued their financial statements. It would provide near-term relief for certain entities for whom the leases standard is currently effective who have rapidly approaching year-end dates and for entities for whom the leases effective date is imminent.

Under the proposed ASU, private companies and private not-for-profit organizations would have the option to apply the new leases standard for fiscal years beginning after December 15, 2021, and to interim periods within fiscal years beginning after December 15, 2022. Public not-for-profit organizations that have not yet issued financial statements would have the option to apply the standard for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.

The proposed effective date deferral for revenue recognition would be limited to private company franchisors. Those stakeholders would have the option to apply the new standard for annual reporting periods beginning after December 15, 2019, and interim reporting periods within annual reporting periods beginning after December 15, 2020.

The proposed ASU is available at www.fasb.org.