

Proposed Accounting Standards Update

Issued: November 1, 2021
Comments Due: January 31, 2022

Interim Reporting (Topic 270)

Disclosure Framework—Changes to
Interim Disclosure Requirements

The Board issued this Exposure Draft to solicit public comment on proposed changes to Topic 270 of the *FASB Accounting Standards Codification*[®]. Individuals can submit comments in one of three ways: using the electronic feedback form on the FASB website, emailing comments to director@fasb.org, or sending a letter to “Technical Director, File Reference No. 2021-001, FASB, 401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116.”

Notice to Recipients of This Exposure Draft of a Proposed Accounting Standards Update

The Board invites comments on all matters in this Exposure Draft until January 31, 2022. Interested parties may submit comments in one of three ways:

- Using the electronic feedback form available on the FASB website at [Exposure Documents Open for Comment](#)
- Emailing comments to director@fasb.org, File Reference No. 2021-001
- Sending a letter to “Technical Director, File Reference No. 2021-001, FASB, 401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116.”

All comments received are part of the FASB’s public file and are available at www.fasb.org.

The *FASB Accounting Standards Codification*[®] is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. An Accounting Standards Update is not authoritative; rather, it is a document that communicates how the Accounting Standards Codification is being amended. It also provides other information to help a user of GAAP understand how and why GAAP is changing and when the changes will be effective. A copy of this Exposure Draft is available at www.fasb.org.

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Proposed Accounting Standards Update

Interim Reporting (Topic 270)

Disclosure Framework—Changes to Interim Disclosure Requirements

November 1, 2021

Comment Deadline: January 31, 2022

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Summary and Questions for Respondents

Why Is the FASB Issuing This Proposed Accounting Standards Update (Update)?

The Board is issuing the amendments in this proposed Update as part of the disclosure framework project. The disclosure framework project's objective is to improve the effectiveness of disclosures in notes to financial statements by facilitating clear communication of the information required by generally accepted accounting principles (GAAP) that is most important to users of financial statements. Achieving the objective of improving the effectiveness of the notes to financial statements includes:

1. Developing a framework that promotes consistent Board decisions about disclosure requirements
2. Reporting entities appropriately exercising discretion in what information is included in the notes.

The Board issued FASB Concepts Statement No. 8, *Conceptual Framework for Financial Reporting*—Chapter 8, *Notes to Financial Statements*, on August 28, 2018. Chapter 8 of Concepts Statement 8 identifies a broad range of possible information for the Board to consider when deciding on the disclosure requirements for a particular Topic. From that broad set, the Board generally will identify a narrower set of required disclosures about that Topic that meets a cost-benefit evaluation and other considerations. The amendments in this proposed Update are the result of the Board's consideration of the concepts in Chapter 8 as they relate to interim disclosures.

Additionally, on August 17, 2018, the U.S. Securities and Exchange Commission (SEC) issued SEC Release No. 33-10532, *Disclosure Update and Simplification*, which became effective November 5, 2018. The SEC issued the release to remove duplicative disclosure requirements with GAAP, eliminate redundant information in financial statements, and enable investors to make efficient investment decisions. As part of the release, the SEC removed language from Regulation S-X, Rule 10-01, *Interim Financial Statements*, which required disclosure on events that have occurred after the end of the most recent fiscal year that have a material effect on the registrant. In addition to its consideration of Chapter 8 of Concepts Statement 8, the Board considered the effect of removal of that language on existing interim disclosures. The amendments in this proposed Update also reflect those considerations.

The Board also is making certain amendments in response to nonpublic entity stakeholder feedback to clarify the applicability of interim reporting requirements to nonpublic entities.

Finally, the Board is making certain amendments in this proposed Update in response to stakeholders' desire for interim reporting requirements to be clarified and consolidated into one Topic of the Codification.

Who Would Be Affected by the Amendments in This Proposed Update?

The amendments in this proposed Update would apply to all entities that provide interim financial statements and notes in accordance with GAAP.

Certain amendments in this proposed Update, in particular, those that clarify the language indicating comparative disclosure, would apply to various types of reporting entities.

What Are the Main Provisions?

The amendments in this proposed Update would modify the disclosure requirements for interim reporting in Topic 270.

Disclosure Principle

The amendments in this proposed Update would introduce a principle to Topic 270 that is based on the removed portion of Regulation S-X, Rule 10-01. That principle requires disclosures for a significant event or transaction that has a material effect on an entity and results in disclosures that are transaction or event specific.

In addition, the amendments in this proposed Update would eliminate the phrase *at minimum* and add language to Topic 270 to promote entities exercising discretion when considering interim reporting disclosures and to clarify that assessing materiality is appropriate for entities when evaluating disclosure requirements. That language also would clarify that assessing which disclosures to provide at interim periods involves considering information provided at the previous annual period.

Clarifying Presentation and Disclosure Alternatives in Interim Reporting

The amendments in this proposed Update would clarify that interim reporting can take the following three forms:

1. Financial statements prepared with the same level of detail as the previous annual statements subject to all the presentation requirements in GAAP and notes subject to all disclosure requirements in GAAP

2. Financial statements prepared with the same level of detail as the previous annual statements subject to all the presentation requirements in GAAP and limited notes subject to the disclosure requirements in Topic 270
3. Condensed financial statements and limited notes subject to the disclosure requirements in Topic 270.

Other Topic 270 Amendments

The amendments in this proposed Update would require that an entity refer a reader of interim financial statements and notes to the previous annual financial statements when providing condensed financial statements or limited notes. The proposed amendments also would require, if applicable, that the reporting entity explain that the interim results may not be indicative of the annual results or that adjustments have been made to the period to provide a more relevant depiction of the entity's results.

The amendments in this proposed Update would state that Topic 270 contains all interim reporting requirements and/or references to interim reporting requirements detailed in other Topics.

Clarifying Requirements to Provide Comparative Disclosures

The amendments in this proposed Update would clarify when comparative disclosures are required. The proposed amendments would remove phrases such as *for each period presented* and instead refer to making comparative disclosures when comparative statements are presented.

When Would the Amendments Be Effective?

The amendments in this proposed Update would be applied prospectively.

The Board will determine the effective date and whether early adoption should be permitted after it considers stakeholders' feedback on the amendments in this proposed Update.

Questions for Respondents

The Board invites individuals and organizations to comment on all matters in this proposed Update, particularly on the issues and questions below. Comments are requested from those who agree with the proposed guidance as well as from those who do not agree. Comments are most helpful if they identify and clearly explain the issue or question to which they relate. Those who disagree with the proposed

guidance are asked to describe their suggested alternatives, supported by specific reasoning.

Question 1: Would the amendments in this proposed Update that introduce a principle similar to the language removed from Regulation S-X, Rule 10-01 (see paragraph 270-10-50-9) result in less, more, or the same degree of decision-useful information for interim reporting? Please explain why or why not.

Question 2: Upon a significant event or transaction occurring since the date of the prior annual financial statements and notes, should an entity provide all the disclosures required by the applicable Topic or only information specific to the event or transaction as described in paragraph 270-10-55-1? Please explain your position.

Question 3: Is the proposed disclosure guidance on significant events or transactions operable? If not, which aspects pose operability issues and why?

Question 4: Are the proposed amendments that would clarify that an entity's assessment of whether to provide a disclosure at an interim period may incorporate the information provided in the prior annual financial statements and notes appropriate? Please explain why or why not. Would those proposed amendments result in a change in practice?

Question 5: Is the proposed amendment describing interim financial statements and notes in accordance with GAAP (see paragraphs 270-10-45-20 through 45-21) appropriate? Does it capture the form and content of interim financial statements and notes currently being provided in accordance with GAAP?

Question 6: Is the list of interim disclosure requirements and/or references to interim disclosure requirements in Section 270-10-50 complete?

Question 7: Would the proposed amendments that (a) remove phrases such as *for each period presented* and (b) now state that those disclosures should be *comparative when comparative financial statements are presented* clarify that the disclosures should be comparative in nature? Would the proposed amendments result in a change in practice? If yes, please explain how. Should any of the paragraphs that were clarified as comparative also be required at interim periods?

Question 8: Should the proposed disclosures be required to be implemented retrospectively or prospectively? Please explain why.

Question 9: How much time would be needed to implement the proposed amendments? Should those proposed amendments on clarifying comparative disclosure have the same effective date as the other proposed amendments or be effective upon issuance? Should early adoption be permitted? Please explain why or why not.

Amendments to the *FASB Accounting Standards Codification*[®]

Summary of Proposed Amendments to the Accounting Standards Codification

1. The following table provides a summary of the proposed amendments to the Accounting Standards Codification.

Codification Topic	Description of Changes
Interim Reporting (270)	<ul style="list-style-type: none">• Added a principle that requires disclosures for significant events or transactions that have material effects on an entity—related to guidance deleted from Regulation S-X, Rule 10-01, <i>Interim Financial Statements</i>• Added language to indicate that those updates resulting from significant events should be disclosed in the notes to financial statements• Added language to clarify how to assess whether to provide disclosures on an interim basis based on the information provided in the previous annual financial statements and notes• Added references to the interim disclosure requirements included in Sections 470-20-50, 505-10-50, 808-10-50, and 860-30-50, which previously were not explicitly referenced in Topic 270• Added language to state that this Topic and its related Subtopics contain (1) complete guidance on interim reporting requirements and (2) references to interim requirements in other Topics• Revised language to clarify which requirements indicate comparative disclosures• Included guidance on the form and content of interim financial statements and notes for all entities• Clarified the applicability of interim disclosure requirements to public and nonpublic entities

Codification Topic	Description of Changes
Accounting Changes and Error Corrections (250) Segment Reporting (280) Investments—Debt Securities (320)	<ul style="list-style-type: none"> Updated references to disclosure requirements in Topic 270
Various Topics	<ul style="list-style-type: none"> Revised language to clarify which requirements indicate comparative disclosures Revised terminology referring to interim-period information

Introduction

2. The Accounting Standards Codification is amended as described in paragraphs 3–57. In some cases, to put the change in context, not only are the amended paragraphs shown but also the preceding and following paragraphs. Terms from the Master Glossary are in **bold** type. Added text is underlined, and deleted text is ~~struck out~~.

Amendments to Topic 270

3. Amend paragraphs 270-10-05-1, 270-10-10-1, and 270-10-45-6(a), add paragraphs 270-10-45-20 through 45-22 and their related heading and 270-10-50-8 through 50-22 and their related headings, and supersede paragraphs 270-10-50-1 through 50-7 and their related headings, with a link to transition paragraph 270-10-65-1, as follows:

Interim Reporting—Overall

Overview and Background

270-10-05-1 The Interim Reporting Topic clarifies the application of accounting principles and reporting practices for entities preparing interim financial statements and notes in accordance with generally accepted accounting principles (GAAP) (see paragraph 270-10-45-20) to interim financial information, including interim financial statements and summarized interim financial data of **publicly traded companies** issued for external reporting purposes. ~~Interim financial information~~

may include current data during a fiscal year on financial position, results of operations, comprehensive income, and cash flows. This information may be issued on a monthly or quarterly basis or at other intervals and may take the form of either complete financial statements or summarized financial data. Interim financial information often is provided for each interim period or on a cumulative year-to-date basis, or both, and for the corresponding periods of the preceding year. This Topic also clarifies the application of those principles and practices for entities that provide interim financial information other than interim financial statements and notes in accordance with GAAP. For example, GAAP may be used by reporting entities that are required by their debt agreements to provide information on an interim basis, such as specific account balances, specific financial statements, or certain ratios.

270-10-05-2 The determination of the results of operations on a meaningful basis for intervals of less than a full year presents inherent difficulties. The revenues of some entities fluctuate widely among interim periods because of seasonal factors, while in other entities heavy fixed costs incurred in one interim period may benefit other periods. In these situations, financial information for periods of less than a full year may be of limited usefulness. In other situations costs and expenses related to a full year's activities are incurred at infrequent intervals during the year and need to be allocated to products in process or to other interim periods to avoid distortion of interim financial results. In view of the limited time available to develop complete information, many costs and expenses are estimated in interim periods. For example, it may not be practical to perform extensive reviews of individual inventory items, costs on individual long-term contracts and precise income tax calculations for each interim period. Subsequent refinement or correction of these estimates may distort the results of operations of later interim periods. Similarly, the effects of disposal of a segment of an entity and unusual or infrequently occurring events and transactions on the results of operations in an interim period will often be more pronounced than they will be on the results for the annual period. Special attention must be given to disclosure of the impact of these items on financial information for interim periods.

Objectives

270-10-10-1 The principal objectives of the Interim Reporting Topic are to provide guidance on accounting and disclosure issues peculiarly specific to interim reporting and to set forth minimum standard disclosure requirements for interim financial reports of publicly traded companies statements and notes in accordance with generally accepted accounting principles (GAAP).

Other Presentation Matters

> Costs and Expenses

> > Costs Associated with Revenue

270-10-45-6 Practices vary in determining costs of inventory. For example, cost of goods produced may be determined based on standard or actual cost, while cost of inventory may be determined on an average, first-in, first-out (FIFO), or last-in, first-out (LIFO) cost basis. While entities generally shall use the same inventory pricing methods and make provisions for writedowns at interim dates on the same basis as used at annual inventory dates, the following exceptions are appropriate at interim reporting dates:

- a. ~~Subparagraph superseded by Accounting Standards Update No. 2021-XX. Some entities use estimated gross profit rates to determine the cost of goods sold during interim periods or use other methods different from those used at annual inventory dates. These entities shall disclose the method used at the interim date and any significant adjustments that result from reconciliations with the annual physical inventory. [Content amended and moved to paragraph 270-10-50-12]~~

> Form and Content of Interim Financial Statements and Notes

270-10-45-20 An entity that prepares interim financial statements and notes in accordance with generally accepted accounting principles (GAAP) may present the following:

- a. Financial statements prepared with the same level of detail as the previous annual statements subject to all the presentation requirements in GAAP and notes subject to all disclosure requirements in GAAP
- b. Financial statements prepared with the same level of detail as the previous annual statements subject to all the presentation requirements in GAAP and limited notes subject to the disclosure requirements in this Topic
- c. Condensed financial statements subject to the presentation requirements in this Topic and limited notes subject to the disclosure requirements in this Topic.

270-10-45-21 For an entity that presents condensed financial statements in accordance with paragraph 270-10-45-20(c), the content of those statements shall be as follows:

- a. Interim balance sheets shall include captions from an entity's previous annual balance sheet. Where a balance sheet caption is less than 10 percent of total assets and the amount in the caption has not increased or decreased by more than 25 percent since the end of the preceding fiscal year, the caption may be combined with other captions.

- b. Interim statements of comprehensive income shall include captions from an entity's previous annual statement of comprehensive income. When any statement of comprehensive income (or statement of net income if comprehensive income is presented in two separate but consecutive financial statements) caption is less than 15 percent of average net income for the most recent 3 fiscal years and the amount in the caption has not increased or decreased by more than 20 percent as compared with the corresponding interim period of the preceding fiscal year, the caption may be combined with others. In calculating average net income, loss years should be excluded. If losses were incurred in each of the most recent three years, the average loss shall be used for purposes of this test. De minimis amounts need not be shown separately.
- c. The statement of cash flows may be abbreviated starting with a single figure of net cash flows from operating activities and showing cash changes from investing and financing activities individually only when they exceed 10 percent of the average of net cash flows from operating activities for the most recent 3 years. De minimis amounts need not be shown separately.

270-10-45-22 The form and content of interim financial statements and notes described in paragraph 270-10-45-20(b) and (c) are only appropriate when the previous annual financial statements and notes have been made available to the users of those interim statements.

Disclosure

> Disclosure of Summarized Interim Financial Data by Publicly Traded Companies

~~270-10-50-1 Paragraph superseded by Accounting Standards Update No. 2021-XX. Many publicly traded companies report summarized financial information at periodic interim dates in considerably less detail than that provided in annual financial statements. While this information provides more timely information than would result if complete financial statements were issued at the end of each interim period, the timeliness of presentation may be partially offset by a reduction in detail in the information provided. As a result, certain guides as to minimum disclosure are desirable. (It should be recognized that the minimum disclosures of summarized interim financial data required of publicly traded companies do not constitute a fair presentation of financial position and results of operations in conformity with generally accepted accounting principles [GAAP].) If publicly traded companies report summarized financial information at interim dates (including reports on fourth quarters), the following data should be reported, as a minimum: [Content amended and moved to paragraph 270-10-50-9]~~

- a. ~~Sales or gross revenues, provision for income taxes, net income, and comprehensive income~~
- b. ~~Basic and diluted earnings per share data for each period presented, determined in accordance with the provisions of Topic 260~~
- c. ~~Seasonal revenue, costs, or expenses (see paragraph 270-10-45-11)~~
- d. ~~Significant changes in estimates or provisions for income taxes (see paragraphs 740-270-30-2, 740-270-30-6, and 740-270-30-8)~~
- e. ~~Disposal of a component of an entity and unusual or infrequently occurring items (see paragraphs 270-10-45-11A and 270-10-50-5)~~
- f. ~~Contingent items (see paragraph 270-10-50-6)~~
- g. ~~**Changes in accounting principles or changes in accounting estimates** (see paragraphs 270-10-45-12 through 45-16)~~
- h. ~~Significant changes in financial position (see paragraph 270-10-50-4)~~
- i. ~~All of the following information about reportable operating segments determined according to the provisions of Topic 280, including provisions related to restatement of segment information in previously issued financial statements:~~
 - 1. ~~Revenues from external customers~~
 - 2. ~~Intersegment revenues~~
 - 3. ~~A measure of segment profit or loss~~
 - 4. ~~Total assets for which there has been a material change from the amount disclosed in the last annual report~~
 - 5. ~~A description of differences from the last annual report in the basis of segmentation or in the measurement of segment profit or loss~~
 - 6. ~~A reconciliation of the total of the reportable segments' measures of profit or loss to the entity's consolidated income before income taxes and discontinued operations. However, if, for example, an entity allocates items such as income taxes to segments, the entity may choose to reconcile the total of the segments' measures of profit or loss to consolidated income after those items. Significant reconciling items shall be separately identified and described in that reconciliation.~~
- j. ~~All of the following information about defined benefit pension plans and other defined benefit postretirement benefit plans, disclosed for all periods presented pursuant to the provisions of Subtopic 715-20:~~
 - 1. ~~The amount of net periodic benefit cost recognized, for each period for which a statement of income is presented, showing separately the service cost component, the interest cost component, the expected return on plan assets for the period, the gain or loss component, the prior service cost or credit component, the transition asset or obligation component, and the gain or loss recognized due to a settlement or curtailment~~
 - 2. ~~The total amount of the employer's contributions paid, and expected to be paid, during the current fiscal year, if significantly different from amounts previously disclosed pursuant to paragraph 715-20-50-1.~~

- ~~Estimated contributions may be presented in the aggregate combining all of the following:~~
- ~~i. Contributions required by funding regulations or laws~~
 - ~~ii. Discretionary contributions~~
 - ~~iii. Noncash contributions.~~
- ~~k. The information about the use of fair value to measure assets and liabilities recognized in the statement of financial position pursuant to Section 820-10-50~~
 - ~~l. The information about derivative instruments as required by Sections 815-10-50, 815-20-50, 815-25-50, 815-30-50, and 815-35-50~~
 - ~~m. The information about financial instruments as required by Section 825-10-50~~
 - ~~n. The information about certain investments in debt and equity securities as required by Sections 320-10-50, 321-10-50, and 942-320-50~~
 - ~~o. The information about other than temporary impairments as required by Sections 320-10-50, 325-20-50, and 958-320-50 and impairments as required by Section 321-10-50~~
 - ~~p. All of the following information about the credit quality of **financing receivables** and the allowance for credit losses determined in accordance with the provisions of Topic 310:
 - ~~1. Nonaccrual and past due financing receivables (see paragraphs 310-10-50-5A through 50-7B)~~
 - ~~2. Allowance for credit losses related to financing receivables (see paragraphs 310-10-50-11A through 50-11C)~~
 - ~~3. Impaired loans (see paragraphs 310-10-50-14A through 50-15)~~
 - ~~4. Credit quality information related to financing receivables (see paragraphs 310-10-50-27 through 50-30)~~
 - ~~5. Modifications of financing receivables (see paragraphs 310-10-50-31 through 50-34).~~~~
 - ~~q. The gross information and net information required by paragraphs 210-20-50-1 through 50-6.~~
 - ~~r. The information about changes in accumulated other comprehensive income required by paragraphs 220-10-45-14A and 220-10-45-17 through 45-17B.~~
 - ~~s. The carrying amount of foreclosed residential real estate property as required by the last sentence of paragraph 310-10-50-11 and the amount of loans in the process of foreclosure as required by paragraph 310-10-50-35.~~

~~If summarized financial data are regularly reported on a quarterly basis, the foregoing information with respect to the current quarter and the current year-to-date or the last 12 months to date should be furnished together with comparable data for the preceding year.~~

[Content amended and moved to paragraph 270-10-50-17 and subparagraphs (c), (d), (e) (amended), (f), (g) (amended), (k), (q), (r) (amended), and (s) also moved to paragraph 270-10-50-21]

In addition, supersede the following pending content for paragraph 270-10-50-1, with a link to transition paragraph 326-10-65-1:

Pending Content:

Transition Date: ~~(P) December 16, 2019; (N) December 16, 2022~~ | **Transition Guidance:** ~~326-10-65-1~~

~~Paragraph superseded by Accounting Standards Update No. 2021-XX. Many publicly traded companies report summarized financial information at periodic interim dates in considerably less detail than that provided in annual financial statements. While this information provides more timely information than would result if complete financial statements were issued at the end of each interim period, the timeliness of presentation may be partially offset by a reduction in detail in the information provided. As a result, certain guides as to minimum disclosure are desirable. (It should be recognized that the minimum disclosures of summarized interim financial data required of publicly traded companies do not constitute a fair presentation of financial position and results of operations in conformity with generally accepted accounting principles [GAAP].) If publicly traded companies report summarized financial information at interim dates (including reports on fourth quarters), the following data should be reported, as a minimum:~~

- ~~a. Sales or gross revenues, provision for income taxes, net income, and comprehensive income~~
- ~~b. Basic and diluted earnings per share data for each period presented, determined in accordance with the provisions of Topic 260~~
- ~~c. Seasonal revenue, costs, or expenses (see paragraph 270-10-45-11)~~
- ~~d. Significant changes in estimates or provisions for income taxes (see paragraphs 740-270-30-2, 740-270-30-6, and 740-270-30-8)~~
- ~~e. Disposal of a component of an entity and unusual or infrequently occurring items (see paragraphs 270-10-45-11A and 270-10-50-5)~~
- ~~f. Contingent items (see paragraph 270-10-50-6)~~
- ~~g. **Changes in accounting principles or changes in accounting estimates** (see paragraphs 270-10-45-12 through 45-16)~~
- ~~h. Significant changes in financial position (see paragraph 270-10-50-4)~~
- ~~i. All of the following information about reportable operating segments determined according to the provisions of Topic 280, including provisions related to restatement of segment information in previously issued financial statements:
 - ~~1. Revenues from external customers~~
 - ~~2. Intersegment revenues~~~~

3. ~~A measure of segment profit or loss~~
 4. ~~Total assets for which there has been a material change from the amount disclosed in the last annual report~~
 5. ~~A description of differences from the last annual report in the basis of segmentation or in the measurement of segment profit or loss~~
 6. ~~A reconciliation of the total of the reportable segments' measures of profit or loss to the entity's consolidated income before income taxes and discontinued operations. However, if, for example, an entity allocates items such as income taxes to segments, the entity may choose to reconcile the total of the segments' measures of profit or loss to consolidated income after those items. Significant reconciling items shall be separately identified and described in that reconciliation.~~
- j. ~~All of the following information about defined benefit pension plans and other defined benefit postretirement benefit plans, disclosed for all periods presented pursuant to the provisions of Subtopic 715-20:~~
 1. ~~The amount of net periodic benefit cost recognized, for each period for which a statement of income is presented, showing separately the service cost component, the interest cost component, the expected return on plan assets for the period, the gain or loss component, the prior service cost or credit component, the transition asset or obligation component, and the gain or loss recognized due to a settlement or curtailment~~
 2. ~~The total amount of the employer's contributions paid, and expected to be paid, during the current fiscal year, if significantly different from amounts previously disclosed pursuant to paragraph 715-20-50-1. Estimated contributions may be presented in the aggregate combining all of the following:~~
 - i. ~~Contributions required by funding regulations or laws~~
 - ii. ~~Discretionary contributions~~
 - iii. ~~Noncash contributions.~~
 - k. ~~The information about the use of fair value to measure assets and liabilities recognized in the statement of financial position pursuant to Section 820-10-50~~
 - l. ~~The information about derivative instruments as required by Sections 815-10-50, 815-20-50, 815-25-50, 815-30-50, and 815-35-50~~
 - m. ~~The information about financial instruments as required by Section 825-10-50~~
 - n. ~~The information about certain investments in debt and equity securities as required by Sections 320-10-50, 321-10-50, and 942-320-50~~
 - o. ~~The information about credit losses and impairments as required by Topic 326 on measurement of credit losses and impairments as required by Section 321-10-50~~
 - p. ~~All of the following information about the credit quality of **financial assets** and the allowance for credit losses determined in accordance with the~~

~~provisions of Subtopic 326-20 on financial instruments measured at amortized cost:~~

- ~~1. Nonaccrual and past due financial assets (see paragraphs 326-20-50-14 through 50-18)~~
 - ~~2. Allowance for expected credit losses related to financial assets (see paragraphs 326-20-50-10 through 50-13)~~
 - ~~3. Subparagraph superseded by Accounting Standards Update No. 2016-13.~~
 - ~~4. Credit quality information related to instruments within the scope of Subtopic 326-20 (see paragraphs 326-20-50-4 through 50-9)~~
 - ~~5. Modifications of financing receivables (see paragraphs 310-10-50-31 through 50-34).~~
- ~~q. The gross information and net information required by paragraphs 210-20-50-1 through 50-6.~~
- ~~r. The information about changes in accumulated other comprehensive income required by paragraphs 220-10-45-14A and 220-10-45-17 through 45-17B.~~
- ~~s. The carrying amount of foreclosed residential real estate property as required by the last sentence of paragraph 310-10-50-11 and the amount of loans in the process of foreclosure as required by paragraph 310-10-50-35.~~

~~If summarized financial data are regularly reported on a quarterly basis, the foregoing information with respect to the current quarter and the current year to date or the last 12 months to date should be furnished together with comparable data for the preceding year. [Content amended and moved to paragraph 270-10-50-17]~~

~~**270-10-50-1A** Paragraph superseded by Accounting Standards Update No. 2021-XX. Consistent with paragraph 270-10-50-1, a **public business entity**, 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, or an employee benefit plan that files or furnishes financial statements with or to the Securities and Exchange Commission, shall disclose all of the following information about **revenue** from **contracts** with **customers** consistent with the guidance in Topic 606:~~

- ~~a. A disaggregation of revenue for the period, see paragraphs 606-10-50-5 through 50-6 and paragraphs 606-10-55-89 through 55-91.~~
- ~~b. The opening and closing balances of receivables, **contract assets**, and **contract liabilities** from contracts with customers (if not otherwise separately presented or disclosed), see paragraph 606-10-50-8(a).~~
- ~~c. Revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period, see paragraph 606-10-50-8(b).~~

- d. ~~Revenue recognized in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price), see paragraph 606-10-50-12A.~~
- e. ~~Information about the entity's remaining performance obligations as of the end of the reporting period, see paragraphs 606-10-50-13 through 50-15.~~ [Content amended and moved to paragraph 270-10-50-18]

270-10-50-1B ~~Paragraph superseded by Accounting Standards Update No. 2021-XX.~~

Pending Content:

Transition Date: ~~(P) December 16, 2020; (N) December 16, 2021 | Transition Guidance: 105-10-65-6~~

~~Costs and expenses incurred in an interim period that cannot be readily identified with the activities or benefits of other interim periods shall be charged to the interim period in which incurred. Disclosure in the notes to financial statements shall be made as to the nature and amount of such costs unless items of a comparable nature are included in both the current interim period and in the corresponding interim period of the preceding year. (See paragraph 270-10-45-8(b).) [Content moved to paragraph 270-10-50-19]~~

270-10-50-2 ~~Paragraph superseded by Accounting Standards Update No. 2021-XX. If interim financial data and disclosures are not separately reported for the fourth quarter, users of the interim financial information often make inferences about that quarter by subtracting data based on the third quarter interim report from the annual results. In the absence of a separate fourth quarter report or disclosure of the results (as outlined in the preceding paragraph) for that quarter in the annual report, disposals of components of an entity and unusual or infrequently occurring items recognized in the fourth quarter, as well as the aggregate effect of year-end adjustments that are material to the results of that quarter (see paragraphs 270-10-05-2 and 270-10-45-10) shall be disclosed in the annual report in a note to the annual financial statements. If a **publicly traded company** that regularly reports interim information makes an **accounting change** during the fourth quarter of its fiscal year and does not report the data specified by the preceding paragraph in a separate fourth quarter report or in its annual report, the disclosures about the effect of the accounting change on interim periods that are required by paragraphs 270-10-45-12 through 45-14 or by paragraph 250-10-45-15, as appropriate, shall be made in a note to the annual financial statements for the fiscal year in which the change is made. [Content amended and moved to paragraph 270-10-50-20]~~

~~270-10-50-3 Paragraph superseded by Accounting Standards Update No. 2021-XX. Disclosure of the impact of the financial results for interim periods of the matters discussed in paragraphs 270-10-45-12 through 45-16 and 270-10-50-5 through 50-6 is desirable for as many subsequent periods as necessary to keep the reader fully informed. There is a presumption that users of summarized interim financial data will have read the latest published annual report, including the financial disclosures required by generally accepted accounting principles (GAAP) and management's commentary concerning the annual financial results, and that the summarized interim data will be viewed in that context. In this connection, management is encouraged to provide commentary relating to the effects of significant events upon the interim financial results. [Content amended and moved to paragraph 270-10-50-10]~~

~~270-10-50-4 Paragraph superseded by Accounting Standards Update No. 2021-XX. Publicly traded companies are encouraged to publish balance sheet and cash flow data at interim dates since these data often assist users of the interim financial information in their understanding and interpretation of the income data reported. If condensed interim balance sheet information or cash flow data are not presented at interim reporting dates, significant changes since the last reporting period with respect to liquid assets, net working capital, long term liabilities, or stockholders' equity shall be disclosed.~~

~~> Unusual or Infrequent Items and Disposals of Components~~

~~270-10-50-5 Paragraph superseded by Accounting Standards Update No. 2021-XX. Matters such as unusual seasonal results, business combinations, and acquisitions by not for profit entities shall be disclosed to provide information needed for a proper understanding of interim financial reports. [Content amended and moved to paragraph 270-10-50-13]~~

In addition, supersede the following pending content for paragraph 270-10-50-5, with a link to transition paragraph 105-10-65-6:

Pending Content:

Transition Date: (P) December 16, 2020; (N) December 16, 2021 | **Transition Guidance:** 105-10-65-6

~~*Editor's Note: The heading that precedes paragraph 270-10-50-5 will be amended upon transition as shown below. The content of the paragraph will not change.*~~

~~> Unusual or Infrequent Items~~

~~Matters such as unusual seasonal results, business combinations, and acquisitions by not for profit entities shall be disclosed to provide information~~

needed for a proper understanding of interim financial reports. [Content amended and moved to paragraph 270-10-50-13]

> Contingencies

~~270-10-50-6 Paragraph superseded by Accounting Standards Update No. 2021-XX. Contingencies and other uncertainties that could be expected to affect the fairness of presentation of financial data at an interim date shall be disclosed in interim reports in the same manner required for annual reports. Such disclosures shall be repeated in interim and annual reports until the contingencies have been removed, resolved, or have become immaterial. The significance of a contingency or uncertainty should be judged in relation to annual financial statements. Disclosures of such items shall include, but not be limited to, those matters that form the basis of a qualification of an independent auditor's report. [Content amended and moved to paragraph 270-10-50-14]~~

> Leases

~~270-10-50-6A Paragraph superseded by Accounting Standards Update No. 2021-XX.~~

~~Pending Content:~~

~~Transition Date: (P) December 16, 2018; (N) December 16, 2021 | Transition Guidance: 842-10-65-1~~

~~A lessor shall disclose a table of all lease-related income items in its interim financial statements (see paragraph 842-30-50-5 for lease-related income items). [Content amended and moved to paragraph 270-10-50-15]~~

> ~~Guidance Related to Disclosure of Other Topics at Interim Dates~~

~~270-10-50-7 Paragraph superseded by Accounting Standards Update No. 2021-XX. The following may not represent all references to interim disclosure:~~

- ~~a. For business combinations and combinations accounted for by **not-for-profit entities**, see Sections 805-10-50, 805-20-50, 805-30-50, 805-740-50, and 958-805-50. [Content amended and moved to paragraph 270-10-50-22]~~
- ~~b. For compensation related costs, see paragraphs 715-60-50-3 and 715-60-50-6. [Content moved to paragraph 270-10-50-22]~~
- ~~c. For disclosures required for entities with oil- and gas-producing activities, see paragraph 932-270-50-1. [Content moved to paragraph 270-10-50-16]~~

- d. ~~For disclosures related to prior interim periods of the current fiscal year, see paragraph 250-10-50-11.~~
- e. ~~For fair value requirements, see Section 820-10-50.~~
- f. ~~For guarantors, see Section 460-10-50. [Content moved to paragraph 270-10-50-22]~~
- g. ~~For pensions and other postretirement benefits, see paragraphs 715-20-50-6 through 50-7. [Content amended and moved to paragraph 270-10-50-21]~~
- h. ~~For reportable segments, see paragraphs 280-10-50-39 and 280-10-55-46. [Content moved to paragraph 270-10-50-22]~~
- i. ~~For suspended well costs and interim reporting, see Section 932-235-50. [Content moved to paragraph 270-10-50-16]~~
- j. ~~For applicability of disclosure requirements related to risks and uncertainties, see paragraph 275-10-15-3. [Content amended and moved to paragraph 270-10-50-22]~~
- k. ~~For discontinued operations, see paragraphs 205-20-50-1 through 50-7. [Content moved to paragraph 270-10-50-22]~~
- l. ~~For disposals of individually significant components of an entity, see paragraph 360-10-50-3A. [Content moved to paragraph 270-10-50-22]~~
- m. ~~For insurance entities that account for short duration contracts, see paragraphs 944-40-50-3 and 944-40-50-4E. [Content moved to paragraph 270-10-50-16]~~

In addition, supersede the following pending content for paragraph 270-10-50-7, with a link to transition paragraph 944-40-65-2:

Pending Content:

Transition Date: ~~(P) December 16, 2022; (N) December 16, 2024 | Transition Guidance: 944-40-65-2~~

~~Paragraph superseded by Accounting Standards Update No. 2021-XX. The following may not represent all references to interim disclosure:~~

- a. ~~For business combinations and combinations accounted for by **not-for-profit entities**, see Sections 805-10-50, 805-20-50, 805-30-50, 805-740-50, and 958-805-50. [Content amended and moved to paragraph 270-10-50-22]~~
- b. ~~For compensation related costs, see paragraphs 715-60-50-3 and 715-60-50-6. [Content moved to paragraph 270-10-50-22]~~
- c. ~~For disclosures required for entities with oil and gas producing activities, see paragraph 932-270-50-1. [Content moved to paragraph 270-10-50-16]~~
- d. ~~For disclosures related to prior interim periods of the current fiscal year, see paragraph 250-10-50-11.~~
- e. ~~For fair value requirements, see Section 820-10-50.~~

- f. ~~For guarantors, see Section 460-10-50. [Content moved to paragraph 270-10-50-22]~~
- g. ~~For pensions and other postretirement benefits, see paragraphs 715-20-50-6 through 50-7. [Content amended and moved to paragraph 270-10-50-21]~~
- h. ~~For reportable segments, see paragraphs 280-10-50-39 and 280-10-55-46. [Content moved to paragraph 270-10-50-22]~~
- i. ~~For suspended well costs and interim reporting, see Section 932-235-50. [Content moved to paragraph 270-10-50-16]~~
- j. ~~For applicability of disclosure requirements related to risks and uncertainties, see paragraph 275-10-15-3. [Content amended and moved to paragraph 270-10-50-22]~~
- k. ~~For discontinued operations, see paragraphs 205-20-50-1 through 50-7. [Content moved to paragraph 270-10-50-22]~~
- l. ~~For disposals of individually significant components of an entity, see paragraph 360-10-50-3A. [Content moved to paragraph 270-10-50-22]~~
- m. ~~For insurance entities that account for short duration contracts, see paragraphs 944-40-50-3 and 944-40-50-4E. [Content moved to paragraph 270-10-50-16]~~
- n. ~~For insurance entities that account for long duration contracts, see paragraphs 944-30-50-2A through 50-2B, 944-40-50-6 through 50-7C, and 944-80-50-1 through 50-2. [Content amended and moved to paragraph 270-10-50-16]~~

270-10-50-8 This Section provides a complete list of the interim disclosure requirements found in generally accepted accounting principles (GAAP).

> Disclosure of Summarized in Interim Financial Data by Publicly Traded Companies Statements and Notes by All Entities

270-10-50-9 Many publicly traded companies report summarized financial information. Many entities issue financial statements and notes in accordance with paragraph 270-10-45-20 at periodic interim dates in considerably less detail than that provided in annual financial statements that may comprise condensed financial statements or limited notes or both. While this information provided in accordance with paragraph 270-10-45-20(b) and (c) may provide provides more timely information than would result if complete financial statements were issued at the end of each interim period, the timeliness of presentation may be partially offset by a reduction in detail in the information provided. As a result, certain guides as to minimum on standard disclosure requirements are desirable. In addition to the disclosures required by this Topic, if a significant event or transaction has occurred that has a material effect on an entity that is not required explicitly to be disclosed in this Topic, an entity shall provide, in the interim financial statements, information that would explain the effects of the significant event or transaction on the entity (see paragraph 270-10-55-1). (It should be recognized that the minimum

~~disclosures of summarized interim financial data required of publicly traded companies do not constitute a fair presentation of financial position and results of operations in conformity with generally accepted accounting principles [GAAP].) If publicly traded companies report summarized financial information at interim dates (including reports on fourth quarters), the following data should be reported, as a minimum: [Content amended as shown and moved from paragraph 270-10-50-1]~~

270-10-50-10 ~~An entity that provides financial statements and notes at interim dates in accordance with either paragraph 270-10-45-20(b) or paragraph 270-10-45-20(c) shall disclose the information required within or referenced by this Topic, if material. Disclosure of the impact of the financial results for interim periods of the matters discussed in paragraphs 270-10-45-12 through 45-16 and 270-10-50-5 through 50-6 is desirable for as many subsequent periods as necessary to keep the reader fully informed. There is a presumption that users of summarized interim financial data statements and notes as referenced in paragraph 270-10-45-20(b) or (c) will have read the prior annual financial statements and notes, as well as latest published annual report, including the financial disclosures required by generally accepted accounting principles (GAAP) and management's commentary, if applicable, concerning the annual financial results, and that the summarized interim data will be viewed in that context. In this connection, management is encouraged to provide commentary relating to the effects of significant events upon the interim financial results. Assessing whether to provide disclosures at an interim period involves considering information provided in the previous annual financial statements (see paragraph 270-10-55-2).~~ **[Content amended as shown and moved from paragraph 270-10-50-3]**

270-10-50-11 ~~An entity shall disclose that interim financial statements are to be read in conjunction with the prior annual financial statements and notes. Furthermore, if applicable, an entity shall explain that the period's results are not indicative of the annual results for the year of which it is a part and that adjustments as required in paragraphs 270-10-45-4 through 45-11 have been made so that the reported results better relate to the results of operations for the annual period.~~

> > Costs Associated with Revenue

270-10-50-12 ~~Some entities use~~ **An entity that uses** ~~estimated gross profit rates to determine the cost of goods sold during interim periods or use that uses~~ **other methods different from those used at annual inventory dates. These entities shall disclose the method used at the interim date and any significant adjustments that result from reconciliations with the annual physical inventory. [Content amended as shown and moved from paragraph 270-10-45-6(a)]**

>> > Unusual or Infrequent Items and Disposals of Components

270-10-50-13 Matters such as unusual seasonal results, business combinations, and **acquisitions by not-for-profit entities** shall be disclosed to provide information needed for a proper understanding of interim financial reports. **[Content amended as shown and moved from paragraph 270-10-50-5]**

In addition, amend the following pending content for paragraph 270-10-50-13, with a link to transition paragraph 105-10-65-6:

Pending Content:

Transition Date: (P) December 16, 2020; (N) December 16, 2021 | **Transition Guidance:** 105-10-65-6

Editor's Note: The heading that precedes paragraph 270-10-50-5 will be amended upon transition as shown below. The content of the paragraph will not change.

>>> Unusual or Infrequent Items

Matters such as unusual seasonal results, business combinations, and **acquisitions by not-for-profit entities** shall be disclosed to provide information needed for a proper understanding of interim financial reports. **[Content amended as shown and moved from paragraph 270-10-50-5]**

>>> Contingencies

270-10-50-14 Contingencies and other uncertainties that could be expected to affect the fairness of presentation of financial ~~data~~statements at an interim date shall be disclosed in interim ~~reports~~financial statements and notes in the same manner required for annual ~~reports~~financial statements and notes. Such disclosures shall be repeated in interim and annual ~~reports~~financial statements and notes until the contingencies have been removed, resolved, or have become immaterial. The significance of a contingency or uncertainty should be judged in relation to annual financial statements. Disclosures of such items shall include, but not be limited to, those matters that form the basis of a qualification of an independent auditor's report. **[Content amended as shown and moved from paragraph 270-10-50-6]**

>>> Leases

270-10-50-15

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2021 | **Transition Guidance:** 842-10-65-1

A **lessor** shall disclose a table of all lease-related income items in its interim financial statements (see paragraph 842-30-50-5 for lease-related income items).
[Content amended as shown and moved from paragraph 270-10-50-6A]

> > Industry-Specific Disclosure Requirements

270-10-50-16 The following are references to industry-specific Topics in which interim disclosures are required for entities that are subject to the scope of these industry-specific Topics:

- a. For disclosures required for entities with oil- and gas-producing activities, see paragraph 932-270-50-1.
- b. For suspended well costs and interim reporting, see Section 932-235-50.
- c. For insurance entities that account for short-duration contracts, see paragraphs 944-40-50-3 and 944-40-50-4E. **[Content moved from paragraph 270-10-50-7]**
- d. For financial institutions, see paragraphs 942-320-50-1 through 50-3.
- e. For insurance entities, see paragraphs 944-40-50-9(a)(5), 944-310-50-3, 944-505-50-2 through 50-6, and 944-605-50-4.
- f. For investment companies, see paragraphs 946-20-50-3, 946-20-50-10, and 946-205-50-18.

In addition, amend the following pending content for paragraph 270-10-50-16, with a link to transition paragraph 944-40-65-2:

Pending Content:

Transition Date: (P) December 16, 2022; (N) December 16, 2024 | **Transition Guidance:** 944-40-65-2

The following are references to industry-specific Topics in which interim disclosures are required and are subject to the scoping requirements of the referenced Topics:

- a. For disclosures required for entities with oil- and gas-producing activities, see paragraph 932-270-50-1.
- b. For suspended well costs and interim reporting, see Section 932-235-50.
- c. For insurance entities that account for short-duration contracts, see paragraphs 944-40-50-3 and 944-40-50-4E.
- d. For insurance entities that account for long-duration contracts, see paragraphs 944-30-50-2A through 50-2B, 944-40-50-6 through 50-7C₁, 944-60-50-2, and 944-80-50-1 through 50-2. **[Content amended as shown and moved from paragraph 270-10-50-7]**
- e. For financial institutions, see paragraphs 942-320-50-1 through 50-3.

- f. For insurance entities, see paragraphs 944-40-50-9(a)(5), 944-310-50-3, 944-505-50-2 through 50-6, and 944-605-50-4.
- g. For investment companies, see paragraphs 946-20-50-3, 946-20-50-10, and 946-205-50-18.

> Disclosure of Summarized Interim Financial Data Statements and Notes by Publicly Traded Companies

~~**270-10-50-17** Many publicly traded companies report summarized financial information at periodic interim dates in considerably less detail than that provided in annual financial statements. While this information provides more timely information than would result if complete financial statements were issued at the end of each interim period, the timeliness of presentation may be partially offset by a reduction in detail in the information provided. As a result, certain guides as to minimum disclosure are desirable. (It should be recognized that the minimum disclosures of summarized interim financial data required of publicly traded companies do not constitute a fair presentation of financial position and results of operations in conformity with generally accepted accounting principles [GAAP].) If publicly traded companies report summarized financial information at interim dates (including reports on fourth quarters), the following data should be reported, as a minimum: Considering the guidance in paragraphs 270-10-50-8 through 50-9, a **publicly traded company** shall disclose, subject to the scope requirements of the referenced Topics, the following:~~

- a. Sales or gross revenues, provision for income taxes, net income, and comprehensive income
- b. Basic and diluted earnings per share data ~~for each period presented~~, determined in accordance with the provisions of Topic 260
- c. Seasonal revenue, costs, or expenses (see paragraph 270-10-45-11)
- d. Significant changes in estimates or provisions for income taxes (see paragraphs 740-270-30-2, 740-270-30-6, ~~and 740-270-30-8, and 740-270-50-1)~~
- e. Disposal of a component of an entity and unusual or infrequently occurring items (see paragraphs 270-10-45-11A and ~~270-40-50-5270-10-50-13)~~
- f. Contingent items (see paragraph ~~270-10-50-6270-10-50-14)~~
- g. **Changes in accounting principles or changes in accounting estimates** (see paragraphs 270-10-45-12 through 45-16) or corrections of errors (see paragraphs 250-10-50-7 through 50-12)
- h. Significant changes in financial position ~~(see paragraph 270-10-50-4)~~
- i. All of the following information about reportable operating segments determined according to the provisions of Topic 280, including provisions related to restatement of segment information in previously issued financial statements:
 1. Revenues from external customers
 2. Intersegment revenues

3. A measure of segment profit or loss
 4. Total assets for which there has been a material change from the amount disclosed in the last annual report
 5. A description of differences from the ~~last annual report~~ prior annual financial statements and notes in the basis of segmentation or in the measurement of segment profit or loss
 6. A reconciliation of the total of the reportable segments' measures of profit or loss to the entity's consolidated income before income taxes and discontinued operations. However, if, for example, an entity allocates items such as income taxes to segments, the entity may choose to reconcile the total of the segments' measures of profit or loss to consolidated income after those items. Significant reconciling items shall be separately identified and described in that reconciliation.
- j. All of the following information about defined benefit pension plans and other defined benefit postretirement benefit plans, disclosed ~~for all periods presented~~ pursuant to the provisions of Subtopic 715-20:
1. The amount of net periodic benefit cost recognized, ~~for each period for which a statement of income is presented~~, showing separately the service cost component, the interest cost component, the expected return on plan assets for the period, the gain or loss component, the prior service cost or credit component, the transition asset or obligation component, and the gain or loss recognized due to a settlement or curtailment
 2. The total amount of the employer's contributions paid, and expected to be paid, during the current fiscal year, if significantly different from amounts previously disclosed pursuant to paragraph 715-20-50-1. Estimated contributions may be presented in the aggregate combining all of the following:
 - i. Contributions required by funding regulations or laws
 - ii. Discretionary contributions
 - iii. Noncash contributions.
- k. The information about the use of fair value to measure assets and liabilities recognized in the statement of financial position pursuant to Section 820-10-50
- l. The information about derivative instruments as required by Sections 815-10-50, 815-20-50, 815-25-50, 815-30-50, and 815-35-50
- m. The information about financial instruments as required by Section 825-10-50
- n. The information about certain investments in debt and equity securities as required by Sections 320-10-50, 321-10-50, and 942-320-50
- o. The information about other-than-temporary impairments as required by Sections 320-10-50, 325-20-50, and 958-320-50 and impairments as required by Section 321-10-50

- p. All of the following information about the credit quality of **financing receivables** and the allowance for credit losses determined in accordance with the provisions of Topic 310:
 1. Nonaccrual and past due financing receivables (see paragraphs 310-10-50-5A through 50-7B)
 2. Allowance for credit losses related to financing receivables (see paragraphs 310-10-50-11A through 50-11C)
 3. Impaired loans (see paragraphs 310-10-50-14A through 50-15)
 4. Credit-quality information related to financing receivables (see paragraphs 310-10-50-27 through 50-30)
 5. Modifications of financing receivables (see paragraphs 310-10-50-31 through 50-34).
- q. The gross information and net information required by paragraphs 210-20-50-1 through 50-6.
- r. The information about changes in accumulated other comprehensive income required by paragraphs 220-10-45-14A and 220-10-45-17 through 45-17B.
- s. The carrying amount of foreclosed residential real estate property as required by the last sentence of paragraph 310-10-50-11 and the amount of loans in the process of foreclosure as required by paragraph 310-10-50-35.
- t. The information about own-share lending arrangements entered into in contemplation of a convertible debt issuance or other financing as required by paragraph 470-20-50-2A.
- u. Changes in the separate accounts comprising shareholders' equity (in addition to retained earnings) and the changes in the number of shares of equity securities (including the number of shares issued upon conversion, exercise, or satisfaction of required conditions) required by paragraphs 505-10-50-2 through 50-3.
- v. The information about collaborative arrangements as required by paragraph 808-10-50-1 in the period in which the collaborative arrangement is entered.
- w. The information about the collateral pledged and associated risks for repurchase agreements, securities lending transactions, and repurchase-to-maturity transactions as required by paragraph 860-30-50-7.
- x. The information provided by a parent with a less-than-wholly-owned subsidiary as required by paragraph 810-10-50-1A.

If ~~limited notes summarized financial data~~ are regularly reported, provided on a quarterly basis, the foregoing information with respect to the current quarter and the current year-to-date or the last 12 months to date should be furnished together with comparable ~~data~~ information for the preceding year. **[Content amended as shown and moved from paragraph 270-10-50-1]**

In addition, amend the following pending content for paragraph 270-10-50-17, with a link to transition paragraph 326-10-65-1:

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2022 | **Transition Guidance:** 326-10-65-1

~~Many publicly traded companies report summarized financial information at periodic interim dates in considerably less detail than that provided in annual financial statements. While this information provides more timely information than would result if complete financial statements were issued at the end of each interim period, the timeliness of presentation may be partially offset by a reduction in detail in the information provided. As a result, certain guides as to minimum disclosure are desirable. (It should be recognized that the minimum disclosures of summarized interim financial data required of publicly traded companies do not constitute a fair presentation of financial position and results of operations in conformity with generally accepted accounting principles [GAAP].) If publicly traded companies report summarized financial information at interim dates (including reports on fourth quarters), the following data should be reported, as a minimum: Considering the guidance in paragraphs 270-10-50-8 through 50-9, a **publicly traded company** shall disclose, subject to the scope requirements of the referenced Topics, the following:~~

- a. Sales or gross revenues, provision for income taxes, net income, and comprehensive income
- b. Basic and diluted earnings per share data ~~for each period presented~~, determined in accordance with the provisions of Topic 260
- c. Seasonal revenue, costs, or expenses (see paragraph 270-10-45-11)
- d. Significant changes in estimates or provisions for income taxes (see paragraphs 740-270-30-2, 740-270-30-6, ~~and 740-270-30-8, and 740-270-50-1)~~
- e. Disposal of a component of an entity and unusual or infrequently occurring items (see paragraphs 270-10-45-11A and ~~270-10-50-5~~ 270-10-50-13)
- f. Contingent items (see paragraph ~~270-10-50-6~~ 270-10-50-14)
- g. **Changes in accounting principles or changes in accounting estimates** (see paragraphs 270-10-45-12 through 45-16) or corrections of errors (see paragraphs 250-10-50-7 through 50-12)
- h. Significant changes in financial position ~~(see paragraph 270-10-50-4)~~
- i. All of the following information about reportable operating segments determined according to the provisions of Topic 280, including provisions related to restatement of segment information in previously issued financial statements:
 1. Revenues from external customers
 2. Intersegment revenues
 3. A measure of segment profit or loss

4. Total assets for which there has been a material change from the amount disclosed in the last annual report
 5. A description of differences from the ~~last annual report~~ prior annual financial statements and notes in the basis of segmentation or in the measurement of segment profit or loss
 6. A reconciliation of the total of the reportable segments' measures of profit or loss to the entity's consolidated income before income taxes and discontinued operations. However, if, for example, an entity allocates items such as income taxes to segments, the entity may choose to reconcile the total of the segments' measures of profit or loss to consolidated income after those items. Significant reconciling items shall be separately identified and described in that reconciliation.
- j. All of the following information about defined benefit pension plans and other defined benefit postretirement benefit plans, disclosed ~~for all periods presented~~ pursuant to the provisions of Subtopic 715-20:
1. The amount of net periodic benefit cost recognized, ~~for each period for which a statement of income is presented~~, showing separately the service cost component, the interest cost component, the expected return on plan assets for the period, the gain or loss component, the prior service cost or credit component, the transition asset or obligation component, and the gain or loss recognized due to a settlement or curtailment
 2. The total amount of the employer's contributions paid, and expected to be paid, during the current fiscal year, if significantly different from amounts previously disclosed pursuant to paragraph 715-20-50-1. Estimated contributions may be presented in the aggregate combining all of the following:
 - i. Contributions required by funding regulations or laws
 - ii. Discretionary contributions
 - iii. Noncash contributions.
- k. The information about the use of fair value to measure assets and liabilities recognized in the statement of financial position pursuant to Section 820-10-50
- l. The information about derivative instruments as required by Sections 815-10-50, 815-20-50, 815-25-50, 815-30-50, and 815-35-50
- m. The information about financial instruments as required by Section 825-10-50
- n. The information about certain investments in debt and equity securities as required by Sections 320-10-50, 321-10-50, and 942-320-50
- o. The information about credit losses and impairments as required by Topic 326 on measurement of credit losses and impairments as required by Section 321-10-50
- p. All of the following information about the credit quality of **financial assets** and the allowance for credit losses determined in accordance with the

provisions of Subtopic 326-20 on financial instruments measured at amortized cost:

1. Nonaccrual and past due financial assets (see paragraphs 326-20-50-14 through 50-18)
 2. Allowance for expected credit losses related to financial assets (see paragraphs 326-20-50-10 through 50-13)
 3. Subparagraph superseded by Accounting Standards Update No. 2016-13.
 4. Credit-quality information related to instruments within the scope of Subtopic 326-20 (see paragraphs 326-20-50-4 through 50-9)
 5. Modifications of financing receivables (see paragraphs 310-10-50-31 through 50-34).
- q. The gross information and net information required by paragraphs 210-20-50-1 through 50-6.
- r. The information about changes in accumulated other comprehensive income required by paragraphs 220-10-45-14A and 220-10-45-17 through 45-17B.
- s. The carrying amount of foreclosed residential real estate property as required by the last sentence of paragraph 310-10-50-11 and the amount of loans in the process of foreclosure as required by paragraph 310-10-50-35.
- t. The information about own-share lending arrangements entered into in contemplation of a convertible debt issuance or other financing as required by paragraph 470-20-50-2A.
- u. Changes in the separate accounts comprising shareholders' equity (in addition to retained earnings) and the changes in the number of shares of equity securities (including the number of shares issued upon conversion, exercise, or satisfaction of required conditions) required by paragraphs 505-10-50-2 through 50-3.
- v. The information about collaborative arrangements as required by paragraph 808-10-50-1 in the period in which the collaborative arrangement is entered.
- w. The information about the collateral pledged and associated risks for repurchase agreements, securities lending transactions, and repurchase-to-maturity transactions as required by paragraph 860-30-50-7.
- x. The information provided by a parent with a less-than-wholly-owned subsidiary as required by paragraph 810-10-50-1A.

If ~~limited notes summarized financial data~~ are regularly reported, provided on a quarterly basis, the foregoing information with respect to the current quarter and the current year-to-date or the last 12 months to date should be furnished together with comparable ~~data~~ information for the preceding year. **[Content amended as shown and moved from paragraph 270-10-50-1]**

270-10-50-18 ~~Consistent with paragraph 270-10-50-1,~~ a **public business entity, 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, or an employee benefit plan that files or furnishes financial statements with or to the Securities and Exchange Commission, shall disclose all of the following information about **revenue** from **contracts** with **customers** consistent with the guidance in Topic 606:

- a. A disaggregation of revenue for the period, see paragraphs 606-10-50-5 through 50-6 and paragraphs 606-10-55-89 through 55-91.
- b. The opening and closing balances of receivables, **contract assets**, and **contract liabilities** from contracts with customers (if not otherwise separately presented or disclosed), see paragraph 606-10-50-8(a).
- c. Revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period, see paragraph 606-10-50-8(b).
- d. Revenue recognized in the reporting period from **performance obligations** satisfied (or partially satisfied) in previous periods (for example, changes in **transaction price**), see paragraph 606-10-50-12A.
- e. Information about the entity's remaining performance obligations as of the end of the reporting period, see paragraphs 606-10-50-13 through 50-15. **[Content amended as shown and moved from paragraph 270-10-50-1A]**

270-10-50-19

Pending Content:

Transition Date: (P) December 16, 2020; (N) December 16, 2021 | **Transition Guidance:** 105-10-65-6

Costs and expenses incurred in an interim period that cannot be readily identified with the activities or benefits of other interim periods shall be charged to the interim period in which incurred. Disclosure in the notes to financial statements shall be made as to the nature and amount of such costs unless items of a comparable nature are included in both the current interim period and in the corresponding interim period of the preceding year. (See paragraph 270-10-45-8(b).) **[Content moved from paragraph 270-10-50-1B]**

270-10-50-20 If interim financial data and disclosures are not separately reported for the fourth quarter, users of the interim financial information often make inferences about that quarter by subtracting data based on the third quarter interim report from the annual results. In the absence of a separate fourth quarter report or disclosure of the results (as outlined in the preceding paragraph) for that quarter in the annual report, disposals of components of an entity and unusual or infrequently occurring items recognized in the fourth quarter, as well as the aggregate effect of year-end adjustments that are material to the results of that quarter (see paragraphs 270-10-05-2 and 270-10-45-10) shall be disclosed in the

annual report in a note to the annual financial statements. If a **publicly traded company** that regularly reports interim information makes an **accounting change** during the fourth quarter of its fiscal year and does not report the data specified by ~~the preceding paragraph 270-10-50-17~~ in a separate fourth quarter report or in its annual report, the disclosures about the effect of the accounting change on interim periods that are required by paragraphs 270-10-45-12 through 45-14 or by paragraph 250-10-45-15, as appropriate, shall be made in a note to the annual financial statements for the fiscal year in which the change is made. **[Content amended as shown and moved from paragraph 270-10-50-2]**

> Disclosure in Interim Financial Statements and Notes in Accordance with GAAP by Nonpublic Entities

270-10-50-21 Considering the guidance in paragraphs 270-10-50-8 through 50-9, a ~~{add glossary link to 1st definition}~~**nonpublic entity**~~{add glossary link to 1st definition}~~ shall disclose, subject to the scope requirements of the referenced Topics, the following:

- a. Seasonal revenue, costs, or expenses (see paragraph 270-10-45-11) **[Content moved from paragraph 270-10-50-1]**
- b. Significant changes in estimates or provisions for income taxes (see paragraphs 740-270-30-2, 740-270-30-6, and 740-270-30-8) **[Content moved from paragraph 270-10-50-1]**
- c. Disposal of a component of an entity and unusual or infrequently occurring items (see paragraphs 270-10-45-11A and ~~270-10-50-5270-10-50-13~~) **[Content amended as shown and moved from paragraph 270-10-50-1]**
- d. Contingent items (see paragraph 270-10-50-6) **[Content moved from paragraph 270-10-50-1]**
- e. **Changes in accounting principles or changes in accounting estimates** (see paragraphs 270-10-45-12 through 45-16) ~~or corrections of errors (see paragraphs 250-10-50-7 through 50-12)~~ **[Content amended as shown and moved from paragraph 270-10-50-1]**
- f. For pensions and other postretirement benefits, see ~~paragraph 715-20-50-7~~ ~~paragraphs 715-20-50-6 through 50-7~~ **[Content amended as shown and moved from paragraph 270-10-50-7]**
- g. The information about the use of fair value to measure assets and liabilities recognized in the statement of financial position pursuant to Section 820-10-50 **[Content moved from paragraph 270-10-50-1]**
- h. The gross information and net information required by paragraphs 210-20-50-1 through 50-6 **[Content moved from paragraph 270-10-50-1]**
- i. The information about changes in accumulated other comprehensive income required by ~~paragraphs~~ ~~paragraph 220-10-45-14A and 220-10-45-17 through 45-17B~~ **[Content amended as shown and moved from paragraph 270-10-50-1]**

- j. The carrying amount of foreclosed residential real estate property as required by the last sentence of paragraph 310-10-50-11 and the amount of loans in the process of foreclosure as required by paragraph 310-10-50-35 **[Content moved from paragraph 270-10-50-1]**
- k. The information about own-share lending arrangements entered into in contemplation of a convertible debt issuance or other financing as required by paragraph 470-20-50-2A
- l. Changes in the separate accounts comprising shareholders' equity (in addition to retained earnings) and the changes in the number of shares of equity securities (including the number of shares issued upon conversion, exercise, or satisfaction of required conditions) required by paragraphs 505-10-50-2 through 50-3
- m. The information about collaborative arrangements as required by paragraph 808-10-50-1 in the period in which the collaborative arrangement is entered
- n. The information about the collateral pledged and associated risks for repurchase agreements, securities lending transactions, and repurchase-to-maturity transactions as required by paragraph 860-30-50-7
- o. The information about credit losses and impairments as required by Sections 326-20-50 and 326-30-50
- p. Variations in customary income tax expense relationships (see paragraph 740-270-50-1).

> Guidance Related to Disclosure of Other Topics at Interim Dates

270-10-50-22 The following may not represent all references to interim disclosure ~~are~~ references to other Topics that may have relevance to interim reporting for some entities, subject to the scope requirements of the referenced Topics:

- a. For business combinations by business entities and combinations accounted for by acquisitions by and mergers of not-for-profit entities, see Sections 805-10-50, 805-20-50, 805-30-50, 805-740-50, and 958-805-50.
- b. For compensation-related costs, see paragraphs 715-60-50-3 and 715-60-50-6.
- c. For guarantors, see Section 460-10-50.
- d. For reportable segments, see paragraphs 280-10-50-39 and 280-10-55-16.
- e. For applicability of disclosure requirements related to risks and uncertainties when issuing financial statements and notes in accordance with paragraph 270-10-45-21(a), see paragraph 275-10-15-3 and Section 275-10-50.
- f. For discontinued operations, see paragraphs 205-20-50-1 through 50-7.

- g. For disposals of individually significant components of an entity, see paragraph 360-10-50-3A. **[Content amended as shown and moved from paragraph 270-10-50-7]**

In addition, amend the following pending content for paragraph 270-10-50-22, with a link to transition paragraph 944-40-65-2:

Pending Content:

Transition Date: *(P) December 16, 2022; (N) December 16, 2024* | **Transition Guidance:** 944-40-65-2

The following may not represent all references to interim disclosure are references to other Topics that may have relevance to interim reporting for some entities, subject to the scope requirements of the referenced Topics:

- a. For business combinations by business entities and ~~combinations accounted for by acquisitions by and mergers of not-for-profit entities~~, see Sections 805-10-50, 805-20-50, 805-30-50, 805-740-50, and 958-805-50.
- b. For compensation-related costs, see paragraphs 715-60-50-3 and 715-60-50-6.
- c. For guarantors, see Section 460-10-50.
- d. For reportable segments, see paragraphs 280-10-50-39 and 280-10-55-16.
- e. For ~~applicability of~~ disclosure requirements related to risks and uncertainties when issuing financial statements and notes in accordance with paragraph 270-10-45-21(a), see paragraph 275-10-15-3 and Section 275-10-50.
- f. For discontinued operations, see paragraphs 205-20-50-1 through 50-7.
- g. For disposals of individually significant components of an entity, see paragraph 360-10-50-3A. **[Content amended as shown and moved from paragraph 270-10-50-7]**

4. Add Section 270-10-55, with a link to transition paragraph 270-10-65-1, as follows:

Interim Reporting—Overall

Implementation Guidance and Illustrations

General

> Implementation Guidance

270-10-55-1 An entity that provides disclosure about a significant event or transaction that had a material effect on the entity that occurred since the date of the prior annual financial statements and notes should consider the annual requirements for those types of events or transactions. For example, if a reporting entity has a significant issuance of share-based compensation awards during the interim period, it would not be sufficient to simply disclose that the entity issued share-based compensation. The entity should refer to disclosures in Topic 718 on stock compensation and consider the required disclosures. The entity need not comply with all the disclosure requirements in Section 718-10-50 for all share-based compensation outstanding as of the reporting date. Rather, the disclosure may focus only on those awards issued as part of the significant share-based compensation event and only utilize relevant aspects of the required disclosures in Topic 718.

270-10-55-2 The presumption that users of interim financial statements and notes as referenced in paragraph 270-10-45-20(b) or (c) will have read the prior annual financial statements and notes should lead entities to not disclose information that would be duplicative of year-end disclosures, even if those requirements are part of the standard disclosure requirements of this Topic. That may result in a subset of or no disclosures being made for certain items.

5. Add paragraph 270-10-65-1 and its related heading as follows:

Transition and Open Effective Date Information

General

> Transition Related to Accounting Standards Update No. 2021-XX, *Interim Reporting (Topic 270): Disclosure Framework—Changes to Interim Disclosure Requirements*

270-10-65-1 The following represents the transition and effective date information related to Accounting Standards Update No. 2021-XX, *Interim Reporting (Topic 270): Disclosure Framework—Changes to Interim Disclosure Requirements*:

- a. The pending content that links to this paragraph shall be effective for all entities for interim periods beginning after [date to be inserted after exposure].
- b. Early adoption of the pending content that links to this paragraph [is/is not] permitted.
- c. An entity shall apply the pending content that links to this paragraph prospectively.

Clarifying Language Indicating Comparative Disclosure Requirements

Amendments to Topic 205

6. Amend paragraph 205-20-50-4B, with a link to transition paragraph 270-10-65-1, as follows:

Presentation of Financial Statements—Discontinued Operations

Disclosure

> Continuing Involvement

205-20-50-4B An entity shall disclose the following in the notes to financial statements for each discontinued operation in which the entity retains significant continuing involvement after the disposal date:

- a. A description of the nature of the activities that give rise to the continuing involvement.
- b. The period of time during which the involvement is expected to continue.
- c. ~~For all periods presented, both~~ Both of the following, comparatively when comparative financial statements are presented:
 1. The amount of any cash inflows or outflows from or to the discontinued operation after the disposal transaction
 2. Revenues or expenses presented, if any, in continuing operations after the disposal transaction that before the disposal transaction were eliminated in consolidated financial statements as intra-entity transactions.
- d. For a discontinued operation in which an entity retains an equity method investment after the disposal (the investee), information that enables users of financial statements to compare the financial performance of the entity from period to period assuming that the entity held the same equity method investment in all periods presented in the statement where net income is reported (or statement of activities for a not-for-profit entity). The disclosure shall include all of the following until the discontinued operation is no longer reported separately in discontinued operations:
 1. ~~For each period presented in the statement where net income is reported (or statement of activities for a not-for-profit entity) after~~ After the period in which the discontinued operation was disposed of, the pretax income of the investee in which the entity retains an equity method investment (comparatively when comparative statements

reporting net income are presented [or statement of activities for a not-for-profit entity])

2. The entity's ownership interest in the discontinued operation before the disposal transaction
3. The entity's ownership interest in the investee after the disposal transaction
4. The entity's share of the income or loss of the investee in the period(s) after the disposal transaction and the line item in the statement where net income is reported (or statement of activities for a not-for-profit entity) that includes the income or loss.

Amendments to Topic 230

7. Amend paragraph 230-10-50-8, with a link to transition paragraph 270-10-65-1, as follows:

Statement of Cash Flows—Overall

Disclosure

> Restrictions on Cash and Cash Equivalents

230-10-50-8 When cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents are presented in more than one line item within the statement of financial position, an entity shall, ~~for each period that a statement of financial position is presented,~~ present (comparatively when comparative statements of financial position are presented) on the face of the statement of cash flows or disclose in the notes to the financial statements, the line items and amounts of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents reported within the statement of financial position. The amounts, disaggregated by the line item in which they appear within the statement of financial position, shall sum to the total amount of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents at the end of the corresponding period shown in the statement of cash flows. This disclosure may be provided in either a narrative or a tabular format (see paragraphs 230-10-55-12A and 230-10-55-18A).

Amendments to Topic 250

8. Amend paragraphs 250-10-50-6 through 50-7, with a link to transition paragraph 270-10-65-1, as follows:

Accounting Changes and Error Corrections—Overall

Disclosure

> Accounting Changes

> > Change in Reporting Entity

250-10-50-6 When there has been a **change in the reporting entity**, the financial statements of the period of the change shall describe the nature of the change and the reason for it. In addition, the effect of the change on income from continuing operations, net income (or other appropriate captions of changes in the applicable net assets or performance indicator), other comprehensive income, and any related per-share amounts shall be disclosed ~~for all periods presented~~ (comparatively when comparative periods are presented). Financial statements of subsequent periods need not repeat the disclosures required by this paragraph. If a change in reporting entity does not have a material effect in the period of change but is reasonably certain to have a material effect in later periods, the nature of and reason for the change shall be disclosed whenever the financial statements of the period of change are presented. (Sections 805-10-50, 805-20-50, 805-30-50, and 805-740-50 describe the manner of reporting and the disclosures required for a business combination.)

> Correction of an Error in Previously Issued Financial Statements

250-10-50-7 When financial statements are restated to correct an error, the entity shall disclose that its previously issued financial statements have been restated, along with a description of the nature of the error. The entity also shall disclose both of the following:

- a. The effect of the correction on each financial statement line item and any per-share amounts affected ~~for each prior period presented~~ (comparatively when comparative financial statements are presented)
- b. The cumulative effect of the change on retained earnings or other appropriate components of equity or net assets in the statement of financial position, as of the beginning of the earliest period presented.

Amendments to Topic 260

9. Amend paragraph 260-10-50-1, with a link to transition paragraph 270-10-65-1, as follows:

Earnings Per Share—Overall

Disclosure

260-10-50-1 ~~For each period for which an income statement is presented, an~~ An entity shall disclose (comparatively when comparative income statements are presented) all of the following:

- a. A reconciliation of the numerators and the denominators of the basic and diluted per-share computations for income from continuing operations. The reconciliation shall include the individual income and share amount effects of all securities that affect **earnings per share** (EPS). Example 2 (see paragraph 260-10-55-51) illustrates that disclosure. (See paragraph 260-10-45-3.) An entity is encouraged to refer to pertinent information about securities included in the EPS computations that is provided elsewhere in the financial statements as prescribed by Subtopic 505-10.
- b. The effect that has been given to preferred dividends in arriving at **income available to common stockholders** in computing basic EPS.
- c. Securities (including those issuable pursuant to contingent stock agreements) that could potentially dilute basic EPS in the future that were not included in the computation of diluted EPS because to do so would have been antidilutive for the period(s) presented. Full disclosure of the terms and conditions of these securities is required even if a **security** is not included in diluted EPS in the current period.

Amendments to Topic 280

10. Amend paragraph 280-10-50-20, with a link to transition paragraph 270-10-65-1, as follows:

Segment Reporting—Overall

Disclosure

> Operating Segments

>> Disclosure Requirements

280-10-50-20 A public entity shall disclose all of the information in paragraphs 280-10-50-21 through 50-26 (comparatively when comparative income statements are presented) ~~following for each period for which an income statement is presented.~~ However, reconciliations of balance sheet amounts for reportable segments to consolidated balance sheet amounts are required only for each year for which a

balance sheet is presented. Previously reported information for prior periods shall be restated as described in paragraphs 280-10-50-34 through 50-35.

Amendments to Topic 310

11. Amend paragraphs 310-10-50-33 through 50-34, with a link to transition paragraph 270-10-65-1, as follows:

Receivables—Overall

Disclosure

> Modifications

310-10-50-33 ~~For each period for which a statement of income is presented, an~~An entity shall disclose ~~(comparatively when comparative statements of income are presented)~~ the following about troubled debt restructurings of financing receivables that occurred during the period:

- a. By class of financing receivable, qualitative and quantitative information, including both of the following:
 1. How the financing receivables were modified
 2. The financial effects of the modifications.
- b. By portfolio segment, qualitative information about how such modifications are factored into the determination of the allowance for credit losses.

In addition, amend the following pending content for paragraph 310-10-50-33, with no additional link to a transition paragraph:

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2022 | **Transition Guidance:** 326-10-65-1

~~For each period for which a statement of income is presented, an~~An entity shall disclose ~~(comparatively when comparative statements of income are presented)~~ the following about troubled debt restructurings of financing receivables that occurred during the period:

- a. By **class of financing receivable**, qualitative and quantitative information, including both of the following:
 1. How the financing receivables were modified
 2. The financial effects of the modifications.

- b. By **portfolio segment**, qualitative information about how such modifications are factored into the determination of the allowance for credit losses.

310-10-50-34 ~~For each period for which a statement of income is presented, an~~An entity shall disclose (comparatively when comparative statements of income are presented) the following for financing receivables modified as troubled debt restructurings within the previous 12 months and for which there was a payment default during the period:

- a. By class of financing receivable, qualitative and quantitative information about those defaulted financing receivables, including both of the following:
 - 1. The types of financing receivables that defaulted
 - 2. The amount of financing receivables that defaulted.
- b. By portfolio segment, qualitative information about how such defaults are factored into the determination of the allowance for credit losses.

In addition, amend the following pending content for paragraph 310-10-50-34, with no additional link to a transition paragraph:

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2022 | **Transition Guidance:** 326-10-65-1

~~For each period for which a statement of income is presented, an~~An entity shall disclose (comparatively when comparative statements of income are presented) the following for financing receivables modified as troubled debt restructurings within the previous 12 months and for which there was a payment default (after the restructuring) during the period:

- a. By class of financing receivable, qualitative and quantitative information about those defaulted financing receivables, including both of the following:
 - 1. The types of financing receivables that defaulted
 - 2. The amount of financing receivables that defaulted.
- b. By portfolio segment, qualitative information about how such defaults are factored into the determination of the allowance for credit losses.

12. Amend paragraph 310-40-50-1, with a link to transition paragraph 270-10-65-1, as follows:

Receivables—Troubled Debt Restructurings by Creditors

Disclosure

> Creditor Disclosure of Troubled Debt Restructurings

310-40-50-1 ~~As of the date of each balance sheet presented, a~~ creditor shall disclose (comparatively when comparative balance sheets are presented), either in the body of the financial statements or in the accompanying notes, the amount of commitments, if any, to lend additional funds to debtors owing receivables whose terms have been modified in **troubled debt restructurings**.

Amendments to Topic 320

13. Amend paragraphs 320-10-50-2, 320-10-50-5 through 50-5A, and 320-10-50-9 through 50-10, with a link to transition paragraph 270-10-65-1, as follows:

Investments—Debt Securities—Overall

Disclosure

> Securities Classified as Available for Sale

320-10-50-2 For securities classified as available for sale, all reporting entities shall disclose (comparatively when comparative statements of financial position are presented) all of the following by major security type ~~as of each date for which a statement of financial position is presented~~:

[The remainder of this paragraph is not shown here because it is unchanged.]

In addition, amend the following pending content for paragraph 320-10-50-2, with no additional link to a transition paragraph:

Pending Content:

Transition Date: *(P) December 16, 2019; (N) December 16, 2022* | **Transition Guidance:** 326-10-65-1

For securities classified as available for sale, all reporting entities shall disclose (comparatively when comparative statements of financial position are presented) all of the following by major security type ~~as of each date for which a statement of financial position is presented~~:

[The remainder of this paragraph is not shown here because it is unchanged.]

> Securities Classified as Held to Maturity

320-10-50-5 All reporting entities shall disclose (comparatively when comparative statements of financial position are presented) the following for securities classified as held to maturity by major security type ~~as of each date for which a statement of financial position is presented:~~

[The remainder of this paragraph is not shown here because it is unchanged.]

In addition, amend the following pending content for paragraph 320-10-50-5, with no additional link to a transition paragraph:

Pending Content:

Transition Date: *(P) December 16, 2019; (N) December 16, 2022* | **Transition Guidance:** 326-10-65-1

All reporting entities shall disclose (comparatively when comparative statements of financial position are presented) the following for securities classified as held to maturity by major security type ~~as of each date for which a statement of financial position is presented:~~

[The remainder of this paragraph is not shown here because it is unchanged.]

320-10-50-5A A public business entity shall disclose (comparatively when comparative statements of financial position are presented) the following information for securities classified as held to maturity, by major security type, ~~as of each date for which a statement of financial position is presented:~~

- a. Aggregate fair value
- b. Gross unrecognized holding gains
- c. Gross unrecognized holding losses.

> Sales, Transfers, and Related Matters That Occurred during the Period

320-10-50-9 ~~For each period for which the results of operations are presented,~~ An entity shall disclose (comparatively when comparative results of operations are presented) all of the following:

- a. The proceeds from sales of **available-for-sale securities** and the gross realized gains and gross realized losses that have been included in earnings as a result of those sales
- b. The basis on which the cost of a security sold or the amount reclassified out of accumulated other comprehensive income into earnings was

- determined (that is, specific identification, average cost, or other method used)
- c. The gross gains and gross losses included in earnings from transfers of securities from the available-for-sale category into the **trading** category
 - d. The amount of the net unrealized **holding gain or loss** on available-for-sale securities for the period that has been included in accumulated other comprehensive income and the amount of gains and losses reclassified out of accumulated other comprehensive income into earnings for the period
 - e. The portion of trading gains and losses for the period that relates to **trading securities** still held at the reporting date.

320-10-50-10 For any sales of or transfers from securities classified as held-to-maturity, an entity shall disclose (comparatively when comparative results of operations are presented) all of the following in the notes to ~~the~~ financial statements ~~for each period for which the results of operations are presented~~:

- a. The net carrying amount of the sold or transferred security
- b. The net gain or loss in accumulated other comprehensive income for any derivative that hedged the forecasted acquisition of the held-to-maturity security
- c. The related realized or unrealized gain or loss
- d. The circumstances leading to the decision to sell or transfer the security. (Such sales or transfers should be rare, except for sales and transfers due to the changes in circumstances identified in paragraph 320-10-25-6(a) through (f).)

Amendments to Topic 321

14. Amend paragraph 321-10-50-4, with a link to transition paragraph 270-10-65-1, as follows:

Investments—Equity Securities—Overall

Disclosure

~~**321-10-50-4** For each period for which the results of operations are presented,~~
321-10-50-4 An entity shall disclose (comparatively when comparative results of operations are presented) the portion of unrealized gains and losses for the period that relates to equity securities still held at the reporting date. The portion of unrealized gains and losses for the period related to equity securities still held at the reporting date is calculated as follows.

Net gains and losses recognized during the period on equity securities	\$105
Less: Net gains and losses recognized during the period on equity securities sold during the period	<u>(80)</u>
Unrealized gains and losses recognized during the reporting period on equity securities still held at the reporting date	<u>\$ 25</u>

Amendments to Topic 325

15. Amend paragraph 325-30-50-10, with a link to transition paragraph 270-10-65-1, as follows:

Investments—Other—Investments in Insurance Contracts

Disclosure

Life Settlement Contracts

> Fair Value Method

325-30-50-10 An investor shall disclose (comparatively when comparative income statements are presented) both of the following ~~for each reporting period presented in the income statement:~~

- a. The gains or losses recognized during the period on investments sold during the period
- b. The unrealized gains or losses recognized during the period on investments that are still held at the date of the statement of financial position.

Amendments to Topic 326

16. Amend the pending contents of paragraphs 326-30-50-4(a) and 326-30-50-9, with no additional link to a transition paragraph, as follows:

Financial Instruments—Credit Losses—Available-for-Sale Debt Securities

Disclosure

> Available-for-Sale Debt Securities in Unrealized Loss Positions without an Allowance for Credit Losses

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2022 | **Transition Guidance:** 326-10-65-1

326-30-50-4 For **available-for-sale debt securities**, including those that fall within the scope of Subtopic 325-40 on beneficial interests in securitized financial assets, in an unrealized loss position for which an allowance for credit losses has not been recorded, an entity shall disclose all of the following in its interim and annual financial statements:

- a. ~~As of each date for which a statement of financial position is presented, quantitative~~Quantitative information, aggregated by category of investment—each major security type that the entity discloses in accordance with this Subtopic—in tabular form, and comparatively when comparative statements of financial position are presented:
 1. The aggregate related **fair value** of investments with unrealized losses
 2. The aggregate amount of unrealized losses (that is, the amount by which **amortized cost basis** exceeds fair value).

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2022 | **Transition Guidance:** 326-10-65-2

For **available-for-sale debt securities**, including those that fall within the scope of Subtopic 325-40 on beneficial interests in securitized financial assets, in an unrealized loss position for which an allowance for credit losses has not been recorded, an entity shall disclose all of the following in its interim and annual financial statements:

- a. ~~As of each date for which a statement of financial position is presented, quantitative~~Quantitative information, aggregated by category of investment—each major security type that the entity discloses in accordance with this Subtopic—in tabular form, and comparatively when comparative statements of financial position are presented:
 1. The aggregate related fair value of investments with unrealized losses
 2. The aggregate amount of unrealized losses (that is, the amount by which amortized cost basis exceeds fair value).

> Allowance for Credit Losses

> > Rollforward of the Allowance for Credit Losses

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2022 | **Transition Guidance:** 326-10-65-1

326-30-50-9 For ~~each~~ interim and annual reporting period ~~presented~~ periods, an entity shall disclose (comparatively when comparative financial statements are presented) by major security type, a tabular rollforward of the allowance for credit losses, which shall include, at a minimum, all of the following:

[The remainder of this paragraph is not shown here because it is unchanged.]

Amendments to Topic 350

17. Amend paragraphs 350-20-50-1 and its related heading, 350-20-50-4 through 50-5 and the related heading, 350-30-50-2 and its related heading, with no link to a transition paragraph, and the pending content of 350-20-50-1A, with no additional link to a transition paragraph, as follows:

Intangibles—Goodwill and Other—Goodwill

Disclosure

General

> ~~Goodwill Balance Information for Each Period for Which a Statement of Financial Position Is Presented~~

350-20-50-1 The changes in the carrying amount of **goodwill** during the period shall be disclosed (comparatively when comparative statements of financial position are presented), showing separately (see Example 3 [paragraph 350-20-55-24]):

- a. The gross amount and accumulated impairment losses at the beginning of the period
- b. Additional goodwill recognized during the period, except goodwill included in a disposal group that, on acquisition, meets the criteria to be classified as held for sale in accordance with paragraph 360-10-45-9

- c. Adjustments resulting from the subsequent recognition of deferred tax assets during the period in accordance with paragraphs 805-740-25-2 through 25-4 and 805-740-45-2
- d. Goodwill included in a disposal group classified as held for sale in accordance with paragraph 360-10-45-9 and goodwill derecognized during the period without having previously been reported in a disposal group classified as held for sale
- e. Impairment losses recognized during the period in accordance with this Subtopic
- f. Net exchange differences arising during the period in accordance with Topic 830
- g. Any other changes in the carrying amounts during the period
- h. The gross amount and accumulated impairment losses at the end of the period.

Entities that report segment information in accordance with Topic 280 shall provide the above information about goodwill in total and for each reportable segment and shall disclose (comparatively when comparative statements of financial position are presented) any significant changes in the allocation of goodwill by reportable segment. If any portion of goodwill has not yet been allocated to a reporting unit at the date the financial statements are issued, that unallocated amount and the reasons for not allocating that amount shall be disclosed.

350-20-50-1A

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2022 | **Transition Guidance:** 350-20-65-3

Entities that have one or more reporting units with zero or negative carrying amounts of net assets shall disclose (comparatively when comparative statements of financial position are presented) those reporting units with allocated goodwill and the amount of goodwill allocated to each and in which reportable segment the reporting unit is included.

Accounting Alternative

> Disclosures about Additions to Goodwill

350-20-50-4 The following information shall be disclosed (comparatively when comparative statements of financial position are presented) in the notes to financial statements for any additions to goodwill ~~in each period for which a statement of financial position is presented:~~

- a. The amount assigned to goodwill in total and by major business combination, by major **acquisition by a not-for-profit entity**, or by reorganization event resulting in fresh-start reporting
- b. The weighted-average amortization period in total and the amortization period by major business combination, by major acquisition by a not-for-profit entity, or by reorganization event resulting in fresh-start reporting.

> ~~Goodwill Balance Information for Each Period for Which a Statement of Financial Position Is Presented~~

350-20-50-5 The following information shall be disclosed (comparatively when comparative statements of financial position are presented) in the financial statements or the notes to financial statements ~~for each period for which a statement of financial position is presented:~~

- a. The gross carrying amounts of goodwill, accumulated amortization, and accumulated impairment loss
- b. The aggregate amortization expense for the period
- c. Goodwill included in a disposal group classified as held for sale in accordance with paragraph 360-10-45-9 and goodwill derecognized during the period without having previously been reported in a disposal group classified as held for sale.

Intangibles—Goodwill and Other—General Intangibles Other Than Goodwill

Disclosure

> ~~Generally Required Disclosures for Each Period for Which a Statement of Financial Position Is Presented~~

350-30-50-2 The following information shall be disclosed (comparatively when comparative statements of financial position are presented) in the financial statements or the notes to financial statements ~~for each period for which a statement of financial position is presented:~~

[The remainder of this paragraph is not shown here because it is unchanged.]

Amendments to Topic 440

18. Amend paragraph 440-10-50-4, with a link to transition paragraph 270-10-65-1, as follows:

Commitments—Overall

Disclosure

Unconditional Purchase Obligations

> Unrecognized Commitments

440-10-50-4 A purchaser shall disclose unconditional purchase obligations that meet the criteria of paragraph 440-10-50-2 and that have not been recognized on its balance sheet. Disclosures of similar or related unconditional purchase obligations may be combined. The disclosures shall include all of the following:

- a. The nature and term of the obligation(s)
- b. The amount of the fixed and determinable portion of the obligation(s) as of the date of the latest balance sheet presented, in the aggregate and, if determinable, for each of the five succeeding fiscal years
- c. The nature of any variable components of the obligation(s)
- d. The amounts purchased (disclosed comparatively when comparative income statements are presented) under the obligation(s) (for example, **the take-or-pay or throughput contract**) ~~for each period for which an income statement is presented.~~

The ~~preceding~~ disclosures in (a) through (d) may be omitted only if the aggregate commitment for all such obligations not disclosed is immaterial.

Amendments to Topic 470

19. Amend paragraph 470-60-50-1, with a link to transition paragraph 270-10-65-1, as follows:

Debt—Troubled Debt Restructurings by Debtors

Disclosure

470-60-50-1 A debtor shall disclose (comparatively when comparative financial statements are presented), either in the body of the financial statements or in the accompanying notes, all of the following information about **troubled debt restructurings** ~~that have occurred during a period for which financial statements are presented:~~

- a. For each restructuring, a description of the principal changes in terms, the major features of settlement, or both; separate restructurings within a fiscal period for the same category of payables (for example, accounts

- payable or subordinated debentures) may be grouped for disclosure purposes
- b. Aggregate gain on restructuring of payables
 - c. Aggregate net gain or loss on transfers of assets recognized during the period (see paragraphs 470-60-35-3 and 470-60-35-8)
 - d. Per-share amount of the aggregate gain on restructuring of payables.

Amendments to Topic 606

20. Amend paragraph 606-10-50-3, with no link to a transition paragraph, as follows:

Revenue from Contracts with Customers—Overall

Disclosure

~~606-10-50-3~~ ~~Amounts disclosed are for each reporting period for which a statement of comprehensive income (statement of activities) is presented and as of each reporting period for which a statement of financial position is presented. Amounts shall be disclosed (comparatively when comparative financial statements are presented) and correspond to the reporting period(s) for the statement of comprehensive income (statement of activities) and reporting date(s) for the statement(s) of financial position.~~ An entity need not disclose information in accordance with the guidance in this Topic if it has provided the information in accordance with another Topic.

Amendments to Topic 715

21. Amend paragraphs 715-20-50-1, 715-20-50-3, and 715-20-50-5 through 50-6, with a link to transition paragraph 270-10-65-1, as follows:

Compensation—Retirement Benefits—Defined Benefit Plans—General

Disclosure

> Disclosures by Public Entities

~~715-20-50-1~~ An employer that sponsors one or more defined benefit pension plans or one or more defined benefit other postretirement plans shall provide the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed ~~for each period for which a statement of income is~~

~~presented~~(comparatively when comparative statements of income are presented). Amounts related to the employer's statement of financial position shall be disclosed ~~as of the date of each statement of financial position presented~~(comparatively when comparative statements of financial position are presented). All of the following shall be disclosed:

- a. A reconciliation of beginning and ending balances of the benefit obligation showing separately, if applicable, the effects during the period attributable to each of the following:
 1. Service cost
 2. Interest cost
 3. Contributions by plan participants
 4. Actuarial gains and losses
 5. Foreign currency exchange rate changes (The effects of foreign currency exchange rate changes that are to be disclosed are those applicable to plans of a foreign operation whose functional currency is not the reporting currency pursuant to Section 830-10-45.)
 6. Benefits paid
 7. Plan amendments
 8. Business combinations
 9. Divestitures
 10. Curtailments, settlements, and special and contractual termination benefits.

For defined benefit pension plans, the benefit obligation is the projected benefit obligation. For defined benefit other postretirement plans, the benefit obligation is the accumulated postretirement benefit obligation.

- b. A reconciliation of beginning and ending balances of the fair value of plan assets showing separately, if applicable, the effects during the period attributable to each of the following:
 1. Actual return on plan assets
 2. Foreign currency exchange rate changes (see (a)(5))
 3. Contributions by the employer
 4. Contributions by plan participants
 5. Benefits paid
 6. Business combinations
 7. Divestitures
 8. Settlements.
- c. The funded status of the plans and the amounts recognized in the statement of financial position, showing separately the assets and current and noncurrent liabilities recognized.
- d. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:
 1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
 2. The classes of plan assets

3. The inputs and valuation techniques used to measure the fair value of plan assets
4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.
- ii. ~~The fair value of each class of plan assets as of each date for which a statement of financial position is presented (disclosed~~
comparatively when comparative statements of financial position are presented). For additional guidance on determining appropriate classes of plan assets, see paragraph 820-10-50-2B. Examples of classes of assets could include, but are not limited to, the following: cash and **cash equivalents**; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph 715-20-50-1(d)(1) through (5) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of

the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Fair Value Measurements at February 3, 20X5 (in thousands)				
Asset Class	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 14,770	\$ 14,770	\$ -	\$ -
Equity securities:				
U.S. companies	41,200	37,000	1,200	3,000
International companies	32,900	24,000	7,600	1,300
Mortgage-backed securities	13,335	-	12,780	555
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>	<u>\$ 21,580</u>	<u>\$ 4,855</u>
Contributions after measurement date	25,000			
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>			

- iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets as described in (ii) above, as appropriate.
- iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose (comparatively when comparative annual periods are presented) the following information for each class of plan assets disclosed pursuant to (ii) above ~~for each annual period~~:

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs 820-10-35-37 through 35-37A is applicable. Investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 shall not be categorized within the fair value hierarchy, as noted by paragraph 820-10-35-54B. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Fair Value Measurements at February 3, 20X5 (in thousands)			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 14,770	\$ 14,770	\$ -	\$ -
Equity securities:				
U.S. companies	41,200	37,000	1,200	3,000
International companies	32,900	24,000	7,600	1,300
Mortgage-backed securities	13,335	-	12,780	555
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770	\$ 21,580	\$ 4,855
Contributions after measurement date	25,000			
Total assets reported at 2/3/20X5	\$ 127,205			

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:

- A. Actual Return on Plan Assets (Component of **Net Periodic Postretirement Benefit Cost**) or Actual Return on Plan Assets (Component of **Net Periodic Pension Cost**), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period
- B. Purchases, sales, and settlements, net

- C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).
03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

[The remainder of this paragraph is not shown here because it is unchanged.]

In addition, amend the following pending content for paragraph 715-20-50-1, with no additional link to a transition paragraph:

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2020 | **Transition Guidance:** 715-20-65-4

An employer that sponsors one or more defined benefit pension plans or one or more defined benefit other postretirement plans shall provide the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed ~~for each period for which a statement of income is presented~~ (comparatively when comparative statements of income are presented). Amounts related to the employer's statement of financial position shall be disclosed ~~as of the date of each statement of financial position presented~~ (comparatively when comparative statements of financial position are presented). All of the following shall be disclosed:

- a. A reconciliation of beginning and ending balances of the benefit obligation showing separately, if applicable, the effects during the period attributable to each of the following:
 1. Service cost
 2. Interest cost
 3. Contributions by plan participants
 4. Actuarial gains and losses
 5. Foreign currency exchange rate changes (The effects of foreign currency exchange rate changes that are to be disclosed are those applicable to plans of a foreign operation whose functional currency is not the reporting currency pursuant to Section 830-10-45.)
 6. Benefits paid
 7. Plan amendments
 8. Business combinations
 9. Divestitures
 10. Curtailments, settlements, and special and contractual termination benefits.

For defined benefit pension plans, the benefit obligation is the projected benefit obligation. For defined benefit other postretirement plans, the benefit obligation is the accumulated postretirement benefit obligation.

- b. A reconciliation of beginning and ending balances of the fair value of plan assets showing separately, if applicable, the effects during the period attributable to each of the following:
 - 1. Actual return on plan assets
 - 2. Foreign currency exchange rate changes (see (a)(5))
 - 3. Contributions by the employer
 - 4. Contributions by plan participants
 - 5. Benefits paid
 - 6. Business combinations
 - 7. Divestitures
 - 8. Settlements.
- c. The funded status of the plans and the amounts recognized in the statement of financial position, showing separately the assets and current and noncurrent liabilities recognized.
- d. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:
 - 1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
 - 2. The classes of plan assets
 - 3. The inputs and valuation techniques used to measure the fair value of plan assets
 - 4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
 - 5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.
- ii. ~~The fair value of each class of plan assets as of each date for which a statement of financial position is presented~~(disclosed comparatively when comparative statements of financial

position are presented). For additional guidance on determining appropriate classes of plan assets, see paragraph 820-10-50-2B. Examples of classes of assets could include, but are not limited to, the following: cash and **cash equivalents**; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph 715-20-50-1(d)(1) through (5) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 14,770	\$ 14,770	\$ -	\$ -
Equity securities:				
U.S. companies	41,200	37,000	1,200	3,000
International companies	32,900	24,000	7,600	1,300
Mortgage-backed securities	13,335	-	12,780	555
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>	<u>\$ 21,580</u>	<u>\$ 4,855</u>
Contributions after measurement date	25,000			
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>			

- iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description

should consider the classes of assets as described in (ii) above, as appropriate.

- iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose (comparatively when comparative annual periods are presented) the following information for each class of plan assets disclosed pursuant to (ii) above ~~for each annual period:~~

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs 820-10-35-37 through 35-37A is applicable. Investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 shall not be categorized within the fair value hierarchy, as noted by paragraph 820-10-35-54B. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Fair Value Measurements at February 3, 20X5 (in thousands)				
Asset Class	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 14,770	\$ 14,770	\$ -	\$ -
Equity securities:				
U.S. companies	41,200	37,000	1,200	3,000
International companies	32,900	24,000	7,600	1,300
Mortgage-backed securities	13,335	-	12,780	555
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770	\$ 21,580	\$ 4,855
Contributions after measurement date	25,000			
Total assets reported at 2/3/20X5	\$ 127,205			

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:
 - A. Actual Return on Plan Assets (Component of **Net Periodic Postretirement Benefit Cost**) or Actual Return on Plan Assets (Component of **Net Periodic Pension Cost**), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period
 - B. Purchases, sales, and settlements, net
 - C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).
03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

[The remainder of this paragraph is not shown here because it is unchanged.]

> Entities (Public and Nonpublic) with Two or More Plans

715-20-50-3 Disclosures about pension plans with assets in excess of the accumulated benefit obligation generally may be aggregated with disclosures about pension plans with accumulated benefit obligations in excess of assets. The same aggregation is permitted for other postretirement benefit plans. If aggregate disclosures are presented, an employer shall disclose both of the following:

- a. The aggregate benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets ~~as of the measurement date of each statement of financial position presented~~ (comparatively when comparative statements of financial position are presented)

- b. The aggregate pension accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets.

In addition, amend the following pending content for paragraph 715-20-50-3, with no additional link to a transition paragraph:

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2020 | **Transition Guidance:** 715-20-65-4

If aggregate disclosures are presented, an employer shall disclose (comparatively when comparative statements of financial position are presented), as of the date of each statement of financial position presented, both of the following:

- a. For pension plans, the projected benefit obligation and fair value of plan assets for plans with projected benefit obligations in excess of plan assets, and the accumulated benefit obligation and fair value of plan assets for plans with accumulated benefit obligations in excess of plan assets
- b. For other postretirement benefit plans, the accumulated postretirement benefit obligation and fair value of plan assets for plans with accumulated postretirement benefit obligations in excess of plan assets.

> Disclosures by Nonpublic Entities

715-20-50-5 A **nonpublic entity** is not required to disclose the information required by paragraph 715-20-50-1(a) through (c), 715-20-50-1(h), 715-20-50-1(m), and 715-20-50-1(o) through (r). A nonpublic entity that sponsors one or more defined benefit pension plans or one or more other defined benefit postretirement plans shall provide all of the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed ~~for each period for which a statement of income is presented~~ (comparatively when comparative statements of income are presented). Amounts related to the employer's statement of financial position shall be disclosed ~~as of the date of each statement of financial position presented~~ (comparatively when comparative statements of financial position are presented).

- a. The benefit obligation, fair value of plan assets, and funded status of the plan.
- b. Employer contributions, participant contributions, and benefits paid.
- c. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:

1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
2. The classes of plan assets
3. The inputs and valuation techniques used to measure the fair value of plan assets
4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.
- ii. The fair value of each class of plan assets ~~as of each date for which a statement of financial position is presented~~ (disclosed comparatively when comparative statements of financial position are presented). For additional guidance on determining appropriate classes of plan assets, see paragraph 820-10-50-2B. Examples of classes of assets could include, but are not limited to, the following: cash and cash equivalents; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph 715-20-50-5(c)(1) through (5) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer

contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 14,770	\$ 14,770	\$ -	\$ -
Equity securities:				
U.S. companies	41,200	37,000	1,200	3,000
International companies	32,900	24,000	7,600	1,300
Mortgage-backed securities	13,335	-	12,780	555
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>	<u>\$ 21,580</u>	<u>\$ 4,855</u>
Contributions after measurement date	25,000			
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>			

- iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets described in (ii) above, as appropriate.
- iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose (comparatively when comparative annual periods are presented) the following information for each class of plan assets disclosed pursuant to (ii) above ~~for each annual period~~:
 - 01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs 820-10-35-37 through 35-37A is applicable. Investments for

which fair value is measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 shall not be categorized within the fair value hierarchy, as noted by paragraph 820-10-35-54B. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Fair Value Measurements at February 3, 20X5 (in thousands)				
Asset Class	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 14,770	\$ 14,770	\$ -	\$ -
Equity securities:				
U.S. companies	41,200	37,000	1,200	3,000
International companies	32,900	24,000	7,600	1,300
Mortgage-backed securities	13,335	-	12,780	555
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>	<u>\$ 21,580</u>	<u>\$ 4,855</u>
Contributions after measurement date	25,000			
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>			

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:
 - A. Actual Return on Plan Assets (Component of Net Periodic Postretirement Benefit Cost) or Actual Return on Plan Assets (Component of Net Periodic Pension Cost), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period
 - B. Purchases, sales, and settlements, net
 - C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).
03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

[The remainder of this paragraph is not shown here because it is unchanged.]

In addition, amend the following pending content for paragraph 715-20-50-5, with no additional link to a transition paragraph:

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2020 | **Transition Guidance:** 715-20-65-4

A **nonpublic entity** is not required to disclose the information required by paragraph 715-20-50-1(a) through (c), 715-20-50-1(h), 715-20-50-1(o) through (q), and 715-20-50-1(r)(2). A nonpublic entity that sponsors one or more defined benefit pension plans or one or more other defined benefit postretirement plans shall provide all of the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed ~~for each period for which a statement of income is presented~~ (comparatively when comparative statements of income are presented). Amounts related to the employer's statement of financial position shall be disclosed ~~as of the date of each statement of financial position presented~~ (comparatively when comparative statements of financial position are presented).

- a. The benefit obligation, fair value of plan assets, and funded status of the plan.
- b. Employer contributions, participant contributions, and benefits paid.
- c. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:
 1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
 2. The classes of plan assets
 3. The inputs and valuation techniques used to measure the fair value of plan assets
 4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
 5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of

those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.

- ii. The fair value of each class of plan assets ~~as of each date for which a statement of financial position is presented~~ (disclosed comparatively when comparative statements of financial position are presented). For additional guidance on determining appropriate classes of plan assets, see paragraph 820-10-50-2B. Examples of classes of assets could include, but are not limited to, the following: cash and cash equivalents; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph 715-20-50-5(c)(1) through (5) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Fair Value Measurements at February 3, 20X5 (in thousands)		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 14,770	\$ 14,770	\$ -	\$ -
Equity securities:				
U.S. companies	41,200	37,000	1,200	3,000
International companies	32,900	24,000	7,600	1,300
Mortgage-backed securities	13,335	-	12,780	555
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770	\$ 21,580	\$ 4,855
Contributions after measurement date	25,000			
Total assets reported at 2/3/20X5	\$ 127,205			

- iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets described in (ii) above, as appropriate.
- iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose (comparatively when comparative annual periods are presented) the following information for each class of plan assets disclosed pursuant to (ii) above ~~for each annual period~~:
01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs 820-10-35-37 through 35-37A is applicable. Investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 shall not be categorized within the fair value hierarchy, as noted by paragraph 820-10-35-54B. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the

employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Fair Value Measurements at February 3, 20X5 (in thousands)				
Asset Class	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 14,770	\$ 14,770	\$ -	\$ -
Equity securities:				
U.S. companies	41,200	37,000	1,200	3,000
International companies	32,900	24,000	7,600	1,300
Mortgage-backed securities	13,335	-	12,780	555
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>	<u>\$ 21,580</u>	<u>\$ 4,855</u>
Contributions after measurement date	25,000			
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>			

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), the amounts of purchases and any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs), disclosed separately.
 - A. Subparagraph superseded by Accounting Standards Update No. 2018-14.
 - B. Subparagraph superseded by Accounting Standards Update No. 2018-14.
 - C. Subparagraph superseded by Accounting Standards Update No. 2018-14.
03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

[The remainder of this paragraph is not shown here because it is unchanged.]

> Interim Disclosure Requirements for Publicly Traded Entities

715-20-50-6 A publicly traded entity shall disclose the following information for its interim financial statements that include a statement of income:

- a. The amount of net benefit cost recognized, ~~for each period for which a statement of income is presented,~~ (comparatively when comparative statements of income are presented) showing separately each of the following:
 1. The service cost component

2. The interest cost component
3. The expected return on plan assets for the period
4. The gain or loss component
5. The prior service cost or credit component
6. The transition asset or obligation component
7. The gain or loss recognized due to a settlement or curtailment.

The line item(s) used in the income statement to present the components other than the service cost component shall be disclosed if the other components are not presented in a separate line item or items in the income statement.

- b. The total amount of the employer's contributions paid, and expected to be paid, during the current fiscal year, if significantly different from amounts previously disclosed pursuant to paragraph 715-20-50-1(g). Estimated contributions may be presented in the aggregate combining all of the following:
 1. Contributions required by funding regulations or laws
 2. Discretionary contributions
 3. Noncash contributions.

22. Amend paragraphs 715-70-50-1 and 715-80-50-5, with a link to transition paragraph 270-10-65-1, as follows:

Compensation—Retirement Benefits—Defined Contribution Plans

Disclosure

715-70-50-1 An employer shall disclose (comparatively when comparative financial statements are presented) the amount of cost recognized for defined contribution pension plans and for other **defined contribution postretirement benefit plans** ~~for all periods presented~~ separately from the amount of cost recognized for defined benefit plans. The disclosures shall include a description of the nature and effect of any significant changes during the period affecting comparability, such as a change in the rate of employer contributions, a business combination, or a divestiture.

Compensation—Retirement Benefits—Multiemployer Plans

Disclosure

> Multiemployer Plans That Provide Pension Benefits

715-80-50-5 When feasible, the information required by this paragraph shall be provided in a tabular format. Information that requires greater narrative description

may be provided outside the table. For each individually significant multiemployer plan that provides pension benefits, an employer shall disclose the following:

- a. Legal name of the plan.
- b. The plan's Employer Identification Number and, if available, its plan number.
- c. ~~For each statement of financial position presented, the~~ The most recently available certified zone status (comparatively when comparative statements of financial position are presented) provided by the plan, as currently defined by the Pension Protection Act of 2006 or a subsequent amendment of that Act. The disclosure shall specify the date of the plan's year-end to which the zone status relates and whether the plan has utilized any extended amortization provisions that affect the calculation of the zone status. If the zone status is not available, an employer shall disclose, as of the most recent date available, on the basis of the financial statements provided by the plan, the total plan assets and accumulated benefit obligations, whether the plan was:
 1. Less than 65 percent funded
 2. Between 65 percent and 80 percent funded
 3. At least 80 percent funded.
- d. The expiration date(s) of the collective-bargaining agreement(s) requiring contributions to the plan, if any. If more than one collective-bargaining agreement applies to the plan, the employer shall provide a range of the expiration dates of those agreements, supplemented with a qualitative description that identifies the significant collective-bargaining agreements within that range as well as other information to help investors understand the significance of the collective-bargaining agreements and when they expire (for example, the portion of employees covered by each agreement or the portion of contributions required by each agreement).
- e. ~~For each period that a statement of income (statement of activities for a not-for-profit entity) is presented:~~ The employer's contributions made to the plan (comparatively when comparative statements of income or statements of activities for a not-for-profit entity are presented).
 1. Subparagraph superseded by Accounting Standards Update No. 2021-XX. ~~The employer's contributions made to the plan~~
 2. Subparagraph superseded by Accounting Standards Update No. 2021-XX. ~~Whether the employer's contributions represent more than 5 percent of total contributions to the plan as indicated in the plan's most recently available annual report (Form 5500 for U.S. plans). The disclosure shall specify the year end date of the plan to which the annual report relates. [Content amended and moved to (ee)]~~
- ee. Whether the employer's contributions represent more than 5 percent of total contributions to the plan (comparatively when comparative statements of income or statements of activities of a not-for-profit entity are presented) as indicated in the plan's most recently available annual report (Form 5500 for U.S. plans). The disclosure shall specify the year-

end date of the plan to which the annual report relates. **[Content amended as shown and moved from (e)]**

- f. As of the end of the most recent annual period presented:
1. Whether a funding improvement plan or rehabilitation plan (for example, as those terms are defined by the Employment Retirement Security Act of 1974) had been implemented or was pending
 2. Whether the employer paid a surcharge to the plan
 3. A description of any minimum contribution(s), required for future periods by the collective-bargaining agreement(s), statutory obligations, or other contractual obligations, if applicable.

Factors other than the amount of the employer's contribution to a plan, for example, the severity of the underfunded status of the plan, may need to be considered when determining whether a plan is significant.

Amendments to Topic 720

23. Amend paragraph 720-35-50-1, with a link to transition paragraph 270-10-65-1, as follows:

Other Expenses—Advertising Costs

Disclosure

720-35-50-1 The notes to financial statements shall disclose both of the following:

- a. The accounting policy selected from the two alternatives in paragraph 720-35-25-1 for reporting advertising, indicating whether such costs are expensed as incurred or the first time the advertising takes place
- b. The total amount charged to advertising expense ~~for each income statement presented~~(comparatively when comparative income statements are presented).

Amendments to Topic 730

24. Amend paragraphs 730-10-50-1 and 730-20-50-1, with a link to transition paragraph 270-10-65-1, as follows:

Research and Development—Overall

Disclosure

~~730-10-50-1 Disclosure shall be made~~An entity shall disclose (comparatively when comparative income statements are presented) in the financial statements of the total **research and development** costs charged to expense in each period for which an income statement is presented. Such disclosure shall include research and development costs incurred for a computer software product to be sold, leased, or otherwise marketed.

Research and Development—Research and Development Arrangements

Disclosure

730-20-50-1 An entity that under the provisions of this Subtopic accounts for its obligation under a **research and development** arrangement as a contract to perform research and development for others shall disclose both of the following:

- a. The terms of significant agreements under the research and development arrangement (including royalty arrangements, purchase provisions, license agreements, and commitments to provide additional funding) ~~as of the date of each balance sheet presented~~(comparatively when comparative balance sheets are presented)
- b. The amount of compensation earned and costs incurred under such contracts ~~for each period for which an income statement is presented~~(comparatively when comparative income statements are presented).

Amendments to Topic 740

25. Amend paragraph 740-10-50-17, with a link to transition paragraph 270-10-65-1, as follows:

Income Taxes—Overall

Disclosure

> Entities with Separately Issued Financial Statements That Are Members of a Consolidated Tax Return

740-10-50-17 An entity that is a member of a group that files a consolidated tax return shall disclose (comparatively when comparative financial statements are presented) in its separately issued financial statements:

- a. The aggregate amount of current and deferred tax expense for ~~each~~the corresponding statement of earnings ~~presented~~ and the amount of any

- tax-related balances due to or from affiliates as of the date of ~~each~~the corresponding statement of financial position ~~presented~~
- b. The principal provisions of the method by which the consolidated amount of current and deferred tax expense is allocated to members of the group and the nature and effect of any changes in that method (and in determining related balances to or from affiliates) during the years for which the above disclosures are presented.

Amendments to Topic 808

26. Amend paragraph 808-10-50-1, with a link to transition paragraph 270-10-65-1, as follows:

Collaborative Arrangements—Overall

Disclosure

808-10-50-1 In the period in which a collaborative arrangement is entered into (which may be an interim period) and all annual periods thereafter, a participant to a **collaborative arrangement** shall disclose all of the following:

- a. Information about the nature and purpose of its collaborative arrangements
- b. Its rights and obligations under the collaborative arrangements
- c. The accounting policy for collaborative arrangements in accordance with Topic 235
- d. The income statement classification and amounts attributable to transactions arising from the collaborative arrangement between participants ~~for each period an income statement is presented~~(comparatively when comparative income statements are presented).

Information related to individually significant collaborative arrangements shall be disclosed separately.

Amendments to Topic 810

27. Amend paragraphs 810-10-50-1A and 810-10-50-6, with a link to transition paragraph 270-10-65-1, as follows:

Consolidation—Overall

Disclosure

General

> Parent with a Less-Than-Wholly-Owned Subsidiary

810-10-50-1A A **parent** with one or more less-than-wholly-owned **subsidiaries** shall disclose (comparatively when comparative periods are presented) all of the following ~~for each reporting period~~:

[The remainder of this paragraph is not shown here because it is unchanged.]

Variable Interest Entities

> Scope-Related Disclosures

810-10-50-6 A reporting entity that does not apply the guidance in the Variable Interest Entities Subsections to one or more VIEs or potential VIEs because of the condition described in paragraph 810-10-15-17(c) shall disclose all the following information:

- a. The number of **legal entities** to which the guidance in the Variable Interest Entities Subsections is not being applied and the reason why the information required to apply this guidance is not available
- b. The nature, purpose, size (if available), and activities of the legal entities and the nature of the reporting entity's involvement with the legal entities
- c. The reporting entity's maximum exposure to loss because of its involvement with the legal entities
- d. The amount of income, expense, purchases, sales, or other measure of activity between the reporting entity and the legal entities ~~for all periods presented~~ (comparatively when comparative periods are presented). However, if it is not practicable to present that information for prior periods that are presented in the first set of financial statements for which this requirement applies, the information for those prior periods is not required.

Amendments to Topic 815

28. Amend paragraph 815-10-50-1A, with a link to transition paragraph 270-10-65-1, as follows:

Derivatives and Hedging—Overall

Disclosure

815-10-50-1A An entity that holds or issues derivative instruments (or nonderivative instruments that are designated and qualify as hedging instruments pursuant to paragraphs 815-20-25-58 and 815-20-25-66) shall disclose (comparatively when comparative statements of financial position and comparative statements of financial performance are presented) all of the following for every annual and interim reporting period ~~for which a statement of financial position and statement of financial performance are presented:~~

- a. Its objectives for holding or issuing those instruments
- b. The context needed to understand those objectives
- c. Its strategies for achieving those objectives
- d. Information that would enable users of its financial statements to understand the volume of its activity in those instruments.

Amendments to Topic 825

29. Amend paragraphs 825-10-50-28 and 825-10-50-30 and their related headings, with a link to transition paragraph 270-10-65-1, as follows:

Financial Instruments—Overall

Disclosure

Fair Value Option

> Required Interim and Annual Disclosures as of Each Date for Which an Interim or Annual Statement of Financial Position Is Presented

~~825-10-50-28~~ ~~As of each date for which a statement of financial position is presented,~~ Entities shall disclose (comparatively when comparative statements of financial position are presented) all of the following:

[The remainder of this paragraph is not shown here because it is unchanged.]

> Required Disclosures for Each Period for Which an Interim or Annual Income Statement Is Presented

~~825-10-50-30~~ ~~For each period for which an income statement is presented,~~ Entities shall disclose (comparatively when comparative income statements are presented) all of the following about items for which the fair value option has been elected:

[The remainder of this paragraph is not shown here because it is unchanged.]

Amendments to Topic 840

30. Amend paragraphs 840-20-50-1 and 840-30-50-1, with no additional link to a transition paragraph, as follows:

Leases—Operating Leases

Disclosure

Lessees

840-20-50-1 For all **operating leases**, the lessee shall disclose rental expense ~~for each period for which an income statement is presented~~(comparatively when comparative income statements are presented), with separate amounts for minimum rentals, contingent rentals, and **sublease** rentals. Rental payments under leases with terms of a month or less that were not renewed need not be included.

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2021 | **Transition Guidance:** 842-10-65-1

Paragraph superseded by Accounting Standards Update No. 2016-02.

Leases—Capital Leases

Disclosure

Lessees

840-30-50-1 All of the following information with respect to capital leases shall be disclosed in the lessee's financial statements or the notes thereto:

- a. The gross amount of assets recorded under capital leases as of the date of each balance sheet presented by major classes according to nature or function. This information may be combined with the comparable information for owned assets.
- b. Future minimum **lease** payments as of the date of the latest balance sheet presented, in the aggregate and for each of the five succeeding

fiscal years, with separate deductions from the total for the amount representing executory costs, including any profit thereon, included in the minimum lease payments and for the amount of the imputed interest necessary to reduce the net minimum lease payments to present value (see paragraphs 840-30-30-1 through 30-4).

- c. The total of minimum **sublease** rentals to be received in the future under noncancelable subleases as of the date of the latest balance sheet presented.
- d. Total contingent rentals actually incurred ~~for each period for which an income statement is presented~~ (comparatively when comparative income statements are presented).

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2021 | **Transition Guidance:** 842-10-65-1

Paragraph superseded by Accounting Standards Update No. 2016-02.

Amendments to Topic 842

31. Amend the pending content of paragraph 842-20-50-4, with no additional link to a transition paragraph, as follows:

Leases—Lessee

Disclosure

Pending Content:

Transition Date: (P) December 16, 2018; (N) December 16, 2021 | **Transition Guidance:** 842-10-65-1

842-20-50-4 ~~For each period presented in the financial statements, a~~ A lessee shall disclose ~~(comparatively when comparative financial statements are presented)~~ the following amounts relating to a lessee's total lease cost, which includes both amounts recognized in profit or loss during the period and any amounts capitalized as part of the cost of another asset in accordance with other Topics, and the cash flows arising from lease transactions:

[The remainder of this paragraph is not shown here because it is unchanged.]

Amendments to Topic 850

32. Amend paragraph 850-10-50-1, with a link to transition paragraph 270-10-65-1, as follows:

Related Party Disclosures—Overall

Disclosure

> Related Party Transactions

850-10-50-1 Financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include:

- a. The nature of the relationship(s) involved
- b. A description of the transactions (disclosed comparatively when comparative income statements are presented), including transactions to which no amounts or nominal amounts were ascribed, ~~for each of the periods for which income statements are presented,~~ and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements
- c. The dollar amounts of transactions ~~for each of the periods for which income statements are presented~~ (disclosed comparatively when comparative income statements are presented) and the effects of any change in the method of establishing the terms from that used in the preceding period
- d. Amounts due from or to **related parties** ~~as of the date of each balance sheet presented~~ (disclosed comparatively when comparative balance sheets are presented) and, if not otherwise apparent, the terms and manner of settlement
- e. The information required by paragraph 740-10-50-17.

Amendments to Topic 860

33. Amend paragraph 860-30-50-1A, with a link to transition paragraph 270-10-65-1, as follows:

Transfers and Servicing—Secured Borrowing and Collateral

Disclosure

860-30-50-1A An entity shall disclose all of the following for **collateral**:

- a. If the entity has entered into **repurchase agreements** or securities lending transactions, it shall disclose its policy for requiring collateral or other security.
- b. As of the date of the latest statement of financial position presented, both of the following:
 1. The carrying amount and classifications of both of the following:
 - i. Any assets pledged as collateral that are not reclassified and separately reported in the statement of financial position in accordance with paragraph 860-30-25-5(a)
 - ii. Associated liabilities.
 2. Qualitative information about the relationship(s) between those assets and associated liabilities; for example, if assets are restricted solely to satisfy a specific obligation, a description of the nature of restrictions placed on those assets.
- c. If the entity has accepted collateral that it is permitted by contract or custom to sell or repledge, it shall disclose all the following:
 1. The fair value (comparatively when comparative statements of financial position are presented)~~as of the date of each statement of financial position presented~~ of that collateral
 2. The fair value (comparatively when comparative statements of financial position are presented)~~as of the date of each statement of financial position presented~~ of the portion of that collateral that it has sold or repledged
 3. Information about the sources and uses of that collateral.

For overall guidance on Topic 860's disclosures, see Section 860-10-50.

34. Amend paragraphs 860-50-50-2 through 50-4, with a link to transition paragraph 270-10-65-1, as follows:

Transfers and Servicing—Servicing Assets and Liabilities

Disclosure

> **All Entities within the Scope of Subtopic**

> > **All Servicing Assets and Servicing Liabilities**

860-50-50-2 For all servicing assets and servicing liabilities, all of the following shall be disclosed:

- a. Management's basis for determining its classes of servicing assets and servicing liabilities.
- b. A description of the risks inherent in servicing assets and servicing liabilities and, if applicable, the instruments used to mitigate the income statement effect of changes in fair value of the servicing assets and servicing liabilities.
- c. The amount of **contractually specified servicing fees**, late fees, and ancillary fees recognized ~~for each period for which results of operations are presented~~ (comparatively when comparative results of operations are presented), including a description of where each amount is reported in the statement of income.
- d. Quantitative and qualitative information about the assumptions used to estimate fair value (for example, discount rates, anticipated credit losses, and prepayment speeds).

Disclosure of quantitative information about the instruments used to manage the risks inherent in servicing assets and servicing liabilities, including the fair value of those instruments at the beginning and end of the period, is encouraged but not required. An entity that provides such quantitative information is also encouraged, but not required, to disclose quantitative and qualitative information about the assumptions used to estimate the fair value of those instruments. Section 235-10-50 provides guidance on disclosures of accounting policies.

>> Servicing Assets and Servicing Liabilities Subsequently Measured at Fair Value

860-50-50-3 For servicing assets and servicing liabilities subsequently measured at fair value, the following shall be disclosed:

- a. For each class of servicing assets and servicing liabilities, the activity in the balance of servicing assets and the activity in the balance of servicing liabilities (including a description of where changes in fair value are reported in the statement of income ~~for each period for which results of operations are presented~~ (comparatively when comparative results of operations are presented)), including, but not limited to, the following:
 1. The beginning and ending balances
 2. Additions through any of the following:
 - i. Purchases of servicing assets
 - ii. Assumptions of servicing obligations
 - iii. Recognition of servicing obligations that result from **transfers of financial assets**.
 3. Disposals
 4. Changes in fair value during the period resulting from either of the following:
 - i. Changes in valuation inputs or assumptions used in the valuation model

- ii. Other changes in fair value and a description of those changes.
- 5. Other changes that affect the balance and a description of those changes.
- b. Subparagraph superseded by Accounting Standards Update No. 2009-16.

> > Servicing Assets and Servicing Liabilities Subsequently Amortized

860-50-50-4 For servicing assets and servicing liabilities measured subsequently under the amortization method in paragraph 860-50-35-1(a), all of the following shall be disclosed:

- a. For each class of servicing assets and servicing liabilities, the activity in the balance of servicing assets and the activity in the balance of servicing liabilities (including a description of where changes in the carrying amount are reported in the statement of income ~~for each period for which results of operations are presented, comparatively when comparative results of operations are presented~~), including, but not limited to, the following:
 - 1. The beginning and ending balances
 - 2. Additions through any of the following:
 - i. Purchases of servicing assets
 - ii. Assumptions of servicing obligations
 - iii. Recognition of servicing obligations that result from transfers of financial assets.
 - 3. Disposals
 - 4. Amortization
 - 5. Application of valuation allowance to adjust carrying value of servicing assets
 - 6. Other-than-temporary impairments
 - 7. Other changes that affect the balance and a description of those changes.
- b. For each class of servicing assets and servicing liabilities, the fair value of recognized servicing assets and servicing liabilities at the beginning and end of the period.
- c. Subparagraph superseded by Accounting Standards Update No. 2009-16
- d. The risk characteristics of the underlying financial assets used to stratify recognized servicing assets for purposes of measuring impairment in accordance with paragraph 860-50-35-9. If the predominant risk characteristics and resulting stratums are changed, that fact and the reasons for those changes shall be included in the disclosures about the risk characteristics of the underlying financial assets used to stratify the recognized servicing assets in accordance with this paragraph.

- e. ~~For each period for which results of operations are presented, the~~The activity by class in any valuation allowance for impairment of recognized servicing assets, including all of the following (comparatively when comparative results of operations are presented):
1. Beginning and ending balances
 2. Aggregate additions charged and recoveries credited to operations
 3. Aggregate write-downs charged against the allowance.

Amendments to Topic 920

35. Amend the pending content of paragraph 920-350-50-2, with no additional link to a transition paragraph, as follows:

Entertainment—Broadcasters—Intangibles—Goodwill and Other

Disclosure

> License Agreements for Program Material

Pending Content:

Transition Date: *(P) December 16, 2019; (N) December 16, 2020* | **Transition Guidance:** 926-20-65-2

920-350-50-2 The following information shall be disclosed (comparatively when comparative statements of financial performance are presented) in the financial statements or the notes to financial statements ~~for each period for which a statement of financial performance is presented~~:

- a. The aggregate amortization expense for the period
- b. The caption in the income statement where the amortization is recorded.

Amendments to Topic 926

36. Amend the pending content of paragraph 926-20-50-4A, with no additional link to a transition paragraph, as follows:

Entertainment—Films—Other Assets—Film Costs

Disclosure

> Film Costs

Pending Content:

Transition Date: (P) December 16, 2019; (N) December 16, 2020 | **Transition Guidance:** 926-20-65-2

926-20-50-4A An entity shall disclose (comparatively when comparative statements of financial performance are presented) the following information in the financial statements or in the notes to financial statements ~~for each period for which a statement of financial performance is presented:~~

- a. The aggregate amortization expense for each period, separately for films predominantly monetized on their own and films predominantly monetized with other films and/or license agreements
- b. The caption in the income statement where the amortization is recorded.

Amendments to Topic 932

37. Amend paragraph 932-235-50-1B(a), with a link to transition paragraph 270-10-65-1, as follows:

Extractive Activities—Oil and Gas—Notes to Financial Statements

Disclosure

> All Entities

932-235-50-1B An entity shall make the following disclosures in the notes to the annual financial statements to provide information for users of financial statements about management's application of judgment in its evaluation of a project's capitalized exploratory well costs. These disclosures are not required routinely in interim financial statements; however, interim financial statements shall include information about significant changes from the information presented in the most recent annual financial statements. Any impairment of capitalized exploratory well costs that were capitalized for a period of greater than one year after the completion of drilling at the most recent annual balance sheet date shall be considered significant for purposes of determining whether the change shall be disclosed in interim financial statements. All of the following disclosures are required:

- a. The amount of capitalized exploratory well costs that is pending the determination of proved reserves. An entity also shall separately disclose ~~for each annual period that an income statement is presented~~(comparatively when comparative annual income statements

are presented) changes in those capitalized exploratory well costs resulting from all of the following:

1. Additions to capitalized exploratory well costs that are pending the determination of proved reserves
2. Capitalized exploratory well costs that were reclassified to wells, equipment, and facilities based on the determination of proved reserves
3. Capitalized exploratory well costs that were charged to expense.

This disclosure shall not include amounts that were capitalized and subsequently expensed in the same annual period.

Amendments to Topic 942

38. Amend paragraphs 942-505-50-1 and 942-505-50-1H, with a link to transition paragraph 270-10-65-1, as follows:

Financial Services—Depository and Lending—Equity

Disclosure

> Regulatory Capital Disclosures

> > Banks and Savings Institutions

942-505-50-1 Noncompliance with regulatory capital requirements could materially affect the economic resources of a bank or savings institution and claims to those resources. Accordingly, at a minimum, an entity shall disclose all of the following in the notes to ~~the~~ financial statements:

- a. A description of regulatory capital requirements for both of the following:
 1. Those for capital adequacy purposes
 2. Those established by the prompt corrective action provisions of Section 38 of the Federal Deposit Insurance Act.
- b. The actual or possible material effects of noncompliance with such requirements.
- c. Whether the entity is in compliance with the regulatory capital requirements (comparatively when comparative balance sheets are presented), including, ~~as of each balance sheet date presented,~~ both of the following with respect to quantitative measures:
 1. The entity's required and actual ratios and amounts of regulatory capital, which may include Common Equity Tier 1, Tier 1 leverage, Tier 1 risk-based, and total risk-based capital, and (for savings institutions) tangible capital

2. Factors that may significantly affect capital adequacy such as potentially volatile components of capital, qualitative factors, and regulatory mandates.
- d. ~~As of each balance sheet date presented, the~~The prompt corrective action category in which the entity was classified (comparatively when comparative balance sheets are presented) as of its most recent notification.
- e. As of the most recent balance sheet date, whether management believes any conditions or events since notification have changed the institution's category.

Noncompliance with regulatory capital requirements may, when considered with other factors, raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

>> Credit Unions

942-505-50-1H Noncompliance with regulatory capital requirements could materially affect the economic resources of a credit union and claims to those resources. Accordingly, at a minimum, a credit union or corporate credit union within the scope of paragraph 942-10-15-2 shall disclose all of the following in notes to financial statements:

- a. A description of the regulatory requirements for both of the following:
 1. Capital adequacy purposes
 2. Prompt corrective action.
- b. The actual or possible material effects of noncompliance with those requirements.
- c. Whether the entity is in compliance with the regulatory capital requirements (comparatively when comparative balance sheets are presented), including, ~~as of each balance sheet date presented,~~ all of the following with respect to quantitative measures:
 1. Whether the institution meets the definition of a complex credit union as defined by the National Credit Union Administration
 2. The institution's required and actual capital ratios and required and actual capital amounts
 3. Factors that may significantly affect capital adequacy, such as potentially volatile components of capital, qualitative factors, or regulatory mandates.
- d. ~~As of each balance sheet date presented, the~~The prompt corrective action category in which the institution was classified (comparatively when comparative balance sheets are presented).
- e. If, as of the most recent balance-sheet date or date financial statements are issued or are available to be issued (as discussed in Section 855-10-25), the institution is not in compliance with capital adequacy

requirements, the possible material effects of such conditions on amounts and disclosures in the financial statements.

- f. Whether after the balance sheet date and before the financial statements are issued or are available to be issued (as discussed in Section 855-10-25), management believes any events or changes have occurred to change the institution's prompt corrective action category.

Noncompliance with regulatory capital requirements may, when considered with other factors, raise substantial doubt about a credit union's ability to continue as a going concern for a reasonable period of time.

Amendments to Topic 944

39. Amend paragraph 944-40-50-5, with a link to transition paragraph 270-10-65-1, as follows:

Financial Services—Insurance—Claim Costs and Liabilities for Future Policy Benefits

Disclosure

Short-Duration Contracts

> Information about the Liability for Unpaid Claims and Claim Adjustment Expenses

> > Information about Amounts Reported at Present Value

944-40-50-5 For liabilities for unpaid claims and claim adjustment expenses that are presented at present value in the financial statements, an insurance entity shall disclose all of the following in its annual financial statements:

- a. ~~For each period presented in the statement of financial position, the~~
carrying amount of liabilities for unpaid claims and claim adjustment expenses relating to short-duration contracts that are presented at present value (comparatively when comparative statements of financial position are presented)
- b. The range of interest rates used to discount the liabilities disclosed in (a).
- c. The aggregate amount of discount related to the time value of money deducted to derive the liabilities disclosed in (a)
- d. ~~For each period presented in the statement of income, the~~
The amount of interest accretion recognized (comparatively when comparative statements of income are presented)

- e. The line item(s) in the statement of income in which the interest accretion is classified.

40. Amend paragraph 944-80-50-1, with a link to transition paragraph 270-10-65-1, as follows:

Financial Services—Insurance—Separate Accounts

Disclosure

944-80-50-1 The following information shall be disclosed in the financial statements of the insurance entity:

- a. The general nature of the contracts reported in separate accounts, including the extent and terms of minimum guarantees
- b. The basis of presentation for both of the following:
 - 1. **Separate account** assets and liabilities
 - 2. Related separate account activity.
- c. A description of the liability valuation methods and assumptions used in estimating the liabilities for additional insurance benefits and minimum guarantees
- d. All of the following amounts related to minimum guarantees:
 - 1. The separate account liability balances subject to various types of benefits, for example:
 - a. **Guaranteed minimum death benefit**
 - b. **Guaranteed minimum income benefit**
 - c. **Guaranteed minimum accumulation benefit.**
 - 2. Disclosures within the categories of benefits identified in (d)(1) for the types of guarantees provided may also be appropriate, for example, all of the following:
 - a. Return of net deposit
 - b. Return of net deposits accrued at a stated rate
 - c. Return of highest anniversary value.
 - 3. The amount of liability reported for additional insurance benefits, annuitization benefits and other minimum guarantees, by type of benefit, for the most recent balance sheet date
 - 4. The incurred and paid amounts related to (d)(3) ~~for all periods presented~~ (comparatively when comparative periods are presented)
 - 5. For contracts for which an additional liability is disclosed in (d)(3), the **net amount at risk** and weighted average attained age of contract holders.
- e. The aggregate **fair value** of assets (comparatively when comparative statements of financial position are presented), by major investment asset category, supporting separate accounts with additional insurance

- benefits and minimum investment return guarantees ~~as of each date for which a statement of financial position is presented~~
- f. The amount of gains and losses recognized on assets transferred to separate accounts ~~for the periods presented~~ (comparatively when comparative periods are presented).

In addition, amend the following pending content for paragraph 944-80-50-1, with no additional link to a transition paragraph:

Pending Content:

Transition Date: (P) December 16, 2022; (N) December 16, 2024 | **Transition Guidance:** 944-40-65-2

The following information shall be disclosed in the financial statements of the insurance entity:

- a. The general nature of the contracts reported in separate accounts, including the extent and terms of minimum guarantees (including **market risk benefits**)
- b. The basis of presentation for both of the following:
 1. **Separate account** assets and liabilities
 2. Related separate account activity.
- c. Subparagraph superseded by Accounting Standards Update No. 2018-12.
- d. Subparagraph superseded by Accounting Standards Update No. 2018-12.
- e. The aggregate **fair value** of assets (comparatively when comparative statements of financial position are presented), by major investment asset category, supporting separate accounts ~~as of each date for which a statement of financial position is presented~~
- f. The amount of gains and losses recognized on assets transferred to separate accounts ~~for the periods presented~~ (comparatively when comparative periods are presented).

41. Amend paragraph 944-310-50-3, with a link to transition paragraph 270-10-65-1, as follows:

Financial Services—Insurance—Receivables

Disclosure

Financial Guarantee Insurance Contracts

944-310-50-3 To meet the disclosure objective in paragraph 944-20-50-7, an insurance entity shall disclose (comparatively when comparative periods are presented) all of the following information for ~~each annual period~~ and interim ~~period~~periods:

[The remainder of this paragraph is not shown here because it is unchanged.]

42. Amend paragraph 944-605-50-1, with a link to transition paragraph 270-10-65-1, as follows:

Financial Services—Insurance—Revenue Recognition

Disclosure

Reinsurance Contracts

> All Reinsurance Contracts

944-605-50-1 All insurance entities shall disclose all of the following in their financial statements:

- a. For all **reinsurance** contracts, both of the following:
 1. Methods used for income recognition on reinsurance contracts
 2. If not reported under paragraph 944-605-45-1 in the statement of earnings, as separate line items or parenthetically, the amounts of earned premiums ceded and recoveries recognized under reinsurance contracts.
- b. For short-duration contracts, all of the following on both a written basis and an earned basis:
 1. Premiums from direct business
 2. Reinsurance assumed
 3. Reinsurance ceded.
- c. For long-duration contracts, all of the following:
 1. Premiums and amounts assessed against policyholders from direct business
 2. Reinsurance assumed and ceded
 3. Premiums and amounts earned.
- d. For foreign reinsurance accounted for by the **open year method**, all of the following ~~shall be disclosed for each period for which an income statement is presented~~(comparatively when comparative income statements are presented):
 1. The amounts of premiums, claims, and expenses recognized as income on closing underwriting balances
 2. The additions to underwriting balances for the year for reported premiums, claims, and expenses.

- e. The amounts of premiums, claims, and expenses in the underwriting account ~~for each balance sheet presented~~(comparatively when comparative balance sheets are presented).

Amendments to Topic 946

43. Amend paragraph 946-210-50-14, with a link to transition paragraph 270-10-65-1, as follows:

Financial Services—Investment Companies—Balance Sheet

Disclosure

> Fully Benefit-Responsive Investment Contracts

946-210-50-14 Investment companies identified in paragraph 946-210-45-11 shall disclose all of the following in connection with **fully benefit-responsive investment contracts**, in the aggregate:

- a. A description of the nature of those investment contracts.
- b. A description of how those investment contracts operate.
- c. A description of the methodology for calculating the interest crediting for those investment contracts, including all of the following:
 - 1. The key factors that could influence future average interest crediting rates
 - 2. The basis for and frequency of determining interest crediting rate resets
 - 3. Any minimum interest crediting rate under the terms of the contracts.
- d. An explanation of the relationship between future interest crediting rates and the amount reported on the statement of assets and liabilities representing the adjustment for the portion of net assets attributable to fully benefit-responsive investment contracts from fair value to contract value.
- e. A reconciliation (comparatively when comparative statements of changes in net assets are presented) between the beginning and ending balance of the amount presented on the statement of assets and liabilities that represents the difference between net assets reflecting all investments at fair value and net assets ~~for each period in which a statement of changes in net assets is presented~~. This reconciliation shall include both of the following:
 - 1. The change in the difference between the fair value and contract value of all fully benefit-responsive investment contracts
 - 2. The increase or decrease due to changes in the fully benefit-responsive status of the fund's investment contracts.

- f. The average yield (comparatively when comparative statements of assets and liabilities are presented) earned by the entire fund (which may differ from the interest rate credited to participants in the fund) ~~for each period for which a statement of assets and liabilities is presented~~. This average yield shall be calculated by dividing the annualized earnings of all investments in the fund (irrespective of the interest rate credited to participants in the fund) by the fair value of all investments in the fund.
- g. The average yield earned by the entire fund with an adjustment to reflect the actual interest rate credited to participants in the fund ~~for each period for which a statement of assets and liabilities is presented~~ (comparatively when comparative statements of assets and liabilities are presented). This average yield shall be calculated by dividing the annualized earnings credited to participants in the fund (irrespective of the actual earnings of the investments in the fund) by the fair value of all investments in the fund.

[The remainder of this paragraph is not shown here because it is unchanged.]

Amendments to Topic 948

44. Amend paragraph 948-10-50-3, with a link to transition paragraph 270-10-65-1, as follows:

Financial Services—Mortgage Banking—Overall

Disclosure

948-10-50-3 Noncompliance with minimum net worth (capital) requirements imposed by secondary market investors or state-imposed regulatory mandates could materially affect the economic resources of a mortgage banking entity and claims to those resources. To the extent an entity is subject to such requirements, the entity shall disclose all of the following in the notes to financial statements:

- a. A description of the minimum net worth requirements related to secondary market investors and state-imposed regulatory mandates
- b. The actual or possible material effects of noncompliance with those requirements
- c. Whether the entity is in compliance with the regulatory capital requirements (comparatively when comparative balance sheets are presented), including, ~~as of each balance sheet date presented~~, both of the following with respect to quantitative measures:
 - 1. The entity's required and actual net worth amounts
 - 2. Factors that may significantly affect the adequacy of net worth such as potentially volatile components of capital, qualitative factors, or regulatory mandates.

- d. If, as of the most recent balance sheet date, the entity is not in compliance with capital adequacy requirements, the possible material effects of such conditions on amounts and disclosures in the notes to financial statements.

Amendments to Topic 958

45. Amend paragraphs 958-20-50-1, 958-205-50-1B, 958-205-50-2, 958-320-50-2, 958-325-50-2, and 958-605-50-6, with a link to transition paragraph 270-10-65-1, as follows:

Not-for-Profit Entities—Financially Interrelated Entities

Disclosure

958-20-50-1 If a **not-for-profit entity** (NFP) transfers assets to a **recipient entity** in an equity transaction (see paragraph 958-20-25-4), it shall disclose the information required by paragraph 958-605-50-6 ~~for each period for which a statement of financial position is presented~~(comparatively when comparative statements of financial position are presented).

Not-for-Profit Entities—Presentation of Financial Statements

Disclosure

> Reporting Endowment Funds

958-205-50-1B At a minimum, an NFP shall disclose (comparatively when comparative financial statements are presented) all of the following information ~~for each period for which it presents financial statements:~~

[The remainder of this paragraph is not shown here because it is unchanged.]

958-205-50-2 ~~For each period for which a statement of financial position is presented, an~~An NFP shall disclose (comparatively when comparative statements of financial position are presented) each of the following, in the aggregate, for all underwater endowment funds:

- a. The fair value of the underwater endowment funds
- b. The original endowment gift amount or level required to be maintained by donor stipulations or by law that extends donor restrictions

- c. The amount of the deficiencies of the underwater endowment funds ((a) less (b)).

Not-for-Profit Entities—Investments—Debt Securities

Disclosure

~~958-320-50-2 For each period for which a statement of financial position is presented, an~~An NFP shall disclose (comparatively when comparative statements of financial position are presented) the aggregate carrying amount of investments by major types, for example, equity securities, U.S. Treasury securities, corporate debt securities, mortgage-backed securities, oil and gas properties, and real estate.

Not-for-Profit Entities—Investments—Other

Disclosure

~~958-325-50-2 For each period for which a statement of financial position is presented, an~~An NFP shall disclose (comparatively when comparative statements of financial position are presented) all of the following:

- a. The basis for determining the carrying amount for other investments
- b. The method(s) and significant assumptions used to estimate the fair values of investments other than financial instruments if those other investments are reported at **fair value**
- c. Subparagraph superseded by Accounting Standards Update No. 2016-01
- d. Subparagraph superseded by Accounting Standards Update No. 2016-01.

Not-for-Profit Entities—Revenue Recognition

Disclosure

Transfers of Assets to a Not-for-Profit Entity or Charitable Trust That Raises or Holds Contributions for Others

> Transfer Specifying Transferor or Its Affiliate as Beneficiary

958-605-50-6 If an NFP transfers assets to a recipient entity and specifies itself or its **affiliate** as the beneficiary, it shall disclose (comparatively when comparative

statements of financial position are presented) the following information ~~for each period for which a statement of financial position is presented:~~

- a. The identity of the recipient entity to which the transfer was made
- b. Whether **variance power** was granted to the recipient entity and, if so, a description of the terms of the variance power
- c. The terms under which amounts will be distributed to the resource provider or its affiliate
- d. The aggregate amount recognized in the statement of financial position for those transfers and whether that amount is recorded as an interest in the net assets of the recipient entity or as another asset (for example, as a beneficial interest in assets held by others or a refundable advance).

Amendments to Topic 960

46. Amend paragraphs 960-325-50-7 through 50-9, with a link to transition paragraph 270-10-65-1, as follows:

Plan Accounting—Defined Benefit Pension Plans—Investments—Other

Disclosure

> Interests in Master Trusts

960-325-50-7 A plan shall disclose (comparatively when comparative statements of changes in net assets available for benefits are presented) the following in the notes to financial statements ~~for each period for which a statement of changes in net assets available for benefits is presented:~~

- a. Net appreciation or depreciation in the fair value of investments of the master trust. Net appreciation or depreciation includes realized gains and losses on investments that were both purchased and sold during the period as well as unrealized appreciation or depreciation of the investments held at year-end.
- b. Investment income (exclusive of (a)).

960-325-50-8 A plan also shall include in the notes to financial statements both of the following:

- a. Description of the basis used to allocate both of the following:
 1. Net assets
 2. Total investment income. See paragraph 960-325-50-7 for the components of total investment income.

- b. For a plan with an undivided interest in the master trust (that is, when the plan has a proportionate, rather than a specific, interest in the master trust), its percentage interest in the master trust ~~as of the date of each statement of net assets available for benefits presented~~(disclosed comparatively when comparative statements of net assets available for benefits are presented).

960-325-50-9 In the notes to financial statements a plan shall include (disclosed comparatively when comparative statements of net assets available for benefits are presented) the investments of a master trust measured using fair value presented by general type of investment, such as the following, ~~as of the date of each statement of net assets available for benefits presented~~:

- a. Registered investment companies (for example, mutual funds)
- b. Government securities
- c. Common-collective trusts
- d. Pooled separate accounts
- e. Short-term securities
- f. Corporate bonds
- g. Common stocks
- h. Mortgages
- i. Real estate.

Amendments to Topic 962

47. Amend paragraph 962-325-50-7, with a link to transition paragraph 270-10-65-1, as follows:

Plan Accounting—Defined Contribution Pension Plans— Investments—Other

Disclosure

> Interests in Master Trusts

962-325-50-7 A plan shall disclose (comparatively when comparative statements of changes in net assets available for benefits are presented) the following in the notes to financial statements ~~for each period for which a statement of changes in net assets available for benefits is presented~~:

- a. Net appreciation or depreciation in the fair value of investments of the master trust. Net appreciation or depreciation includes realized gains and losses on investments that were both purchased and sold during the period as well as unrealized appreciation or depreciation of the investments held at year-end.

- b. Investment income (exclusive of (a)).

Amendments to Topic 965

48. Amend paragraphs 965-325-50-5 through 50-7, with a link to transition paragraph 270-10-65-1, as follows:

Plan Accounting—Health and Welfare Benefit Plans—Investments—Other

Disclosure

> Interests in Master Trusts

965-325-50-5 A plan shall disclose (comparatively when comparative statements of changes in net assets available for benefits are presented) the following in the notes to financial statements ~~for each period for which a statement of changes in net assets available for benefits is presented:~~

- a. Net appreciation or depreciation in the fair value of investments of the master trust. Net appreciation or depreciation includes realized gains and losses on investments that were both purchased and sold during the period as well as unrealized appreciation or depreciation of the investments held at year-end.
- b. Investment income (exclusive of (a)).

965-325-50-6 A plan also shall include in the notes to financial statements both of the following:

- a. Description of the basis used to allocate both of the following:
 - 1. Net assets
 - 2. Total investment income. See paragraph 965-325-50-5 for the components of total investment income.
- b. For a plan with an undivided interest in the master trust (that is, when the plan has a proportionate, rather than specific, interest in the master trust), its percentage interest in the master trust (comparatively when comparative statements of net assets available for benefits are presented)~~as of the date of each statement of net assets available for benefits presented.~~

965-325-50-7 In the notes to financial statements a plan shall include (disclosed comparatively when comparative statements of net assets available for benefits are presented) the investments of a master trust measured using fair value presented by general type of investment, such as the following,~~as of the date of each statement of net assets available for benefits presented:~~

- a. Registered investment companies (for example, mutual funds)
- b. Government securities
- c. Common-collective trusts
- d. Pooled separate accounts
- e. Short-term securities
- f. Corporate bonds
- g. Common stocks
- h. Mortgages
- i. Real estate.

For the presentation of **fully benefit-responsive investment contracts**, which are measured at contract value, see paragraphs 965-325-35-8 and 965-325-50-2.

Amendments to Topic 985

49. Amend paragraphs 985-20-50-1 through 50-2, with a link to transition paragraph 270-10-65-1, as follows:

Software—Costs of Software to Be Sold, Leased, or Marketed

Disclosure

985-20-50-1 Both of the following shall be disclosed in the financial statements:

- a. Unamortized computer software costs ~~included in each balance sheet presented~~ (comparatively when comparative balance sheets are presented).
- b. The total amount charged to expense ~~in each income statement presented~~ (comparatively when comparative income statements are presented) for both of the following:
 1. Amortization of capitalized computer software costs
 2. Amounts written down to net realizable value.

The amortization and write-down amounts may be combined with only the total of the two expenses being disclosed.

985-20-50-2 Paragraph 350-30-15-3 requires that an entity apply the disclosure requirements of paragraphs 350-30-50-1 through 50-3 to capitalized software costs. Paragraph 730-10-50-1 requires that disclosure be made (comparatively when comparative income statements are presented) in the financial statements of the total research and development costs charged to expense ~~in each period for which an income statement is presented~~ and states that such disclosure shall include research and development costs incurred for a computer software product to be sold, leased, or otherwise marketed.

Other Conforming Amendments

Amendments to Topic 220

50. Amend paragraph 220-10-45-18, with a link to transition paragraph 270-10-65-1, as follows:

Income Statement—Reporting Comprehensive Income—Overall

Other Presentation Matters

> Interim-Period Reporting

220-10-45-18 Subtopic 270-10 ~~clarifies~~explains the application of accounting principles and reporting practices ~~to interim financial information, including interim financial statements and summarized interim financial data of publicly traded companies issued for external reporting purposes for entities preparing interim financial statements and notes in accordance with generally accepted accounting principles.~~ An entity shall report a total for comprehensive income in condensed financial statements of interim periods in a single continuous statement or in two consecutive statements.

Amendments to Topic 250

51. Amend paragraph 250-10-45-15, with a link to transition paragraph 270-10-65-1, as follows:

Accounting Changes and Error Corrections—Overall

Other Presentation Matters

> Accounting Changes

> > Change in Accounting Principle

> > > Reporting a Change in Accounting Principle Made in an Interim Period

250-10-45-15 If a public entity that regularly reports interim information makes an accounting change during the fourth quarter of its fiscal year and does not report the data specified by ~~paragraph 270-10-50-4~~paragraphs 270-10-50-17 through 50-

19 in a separate fourth-quarter report or in its annual report, that entity shall include disclosure of the effects of the accounting change on interim-period results, as required by paragraph 250-10-50-1, in a note to the annual financial statements for the fiscal year in which the change is made.

Amendments to Topic 270

52. Amend paragraph 270-10-45-8, with a link to transition paragraph 270-10-65-1, as follows:

Interim Reporting—Overall

Other Presentation Matters

> Costs and Expenses

> > All Other Costs and Expenses

270-10-45-8 The objective in all cases is to achieve a fair measure of results of operations for the annual period and to present fairly the financial position at the end of the annual period. The following standards shall apply in accounting for costs and expenses other than product costs in interim periods:

- a. Costs and expenses other than product costs shall be charged to income in interim periods as incurred, or be allocated among interim periods based on an estimate of time expired, benefit received or activity associated with the periods. Procedures adopted for assigning specific cost and expense items to an interim period shall be consistent with the bases followed by the entity in reporting results of operations at annual reporting dates. However, if a specific cost or expense item charged to expense for annual reporting purposes benefits more than one interim period, the cost or expense item may be allocated to those interim periods (see paragraph 270-10-45-9).
- b. Some costs and expenses incurred in an interim period, however, cannot be readily identified with the activities or benefits of other interim periods and shall be charged to the interim period in which incurred. Disclosure shall be made as to the nature and amount of such costs unless items of a comparable nature are included in both the current interim period and in the corresponding interim period of the preceding year. (See paragraph 270-10-50-19.)
- c. Arbitrary assignment of the amount of such costs to an interim period shall not be made.

- d. Gains and losses that arise in any interim period similar to those that would not be deferred at year end shall not be deferred to later interim periods within the same fiscal year.

In addition, amend the following pending content for paragraph 270-10-45-8, with a link to transition paragraph 105-10-65-6:

Pending Content:

Transition Date: *(P) December 16, 2020; (N) December 16, 2021* | **Transition Guidance:** 105-10-65-6

The objective in all cases is to achieve a fair measure of results of operations for the annual period and to present fairly the financial position at the end of the annual period. The following standards shall apply in accounting for costs and expenses other than product costs in interim periods:

- a. Costs and expenses other than product costs shall be charged to income in interim periods as incurred, or be allocated among interim periods based on an estimate of time expired, benefit received or activity associated with the periods. Procedures adopted for assigning specific cost and expense items to an interim period shall be consistent with the bases followed by the entity in reporting results of operations at annual reporting dates. However, if a specific cost or expense item charged to expense for annual reporting purposes benefits more than one interim period, the cost or expense item may be allocated to those interim periods (see paragraph 270-10-45-9).
- b. Some costs and expenses incurred in an interim period, however, cannot be readily identified with the activities or benefits of other interim periods and shall be charged to the interim period in which incurred. Disclosure in the notes to financial statements shall be made as to the nature and amount of such costs unless items of a comparable nature are included in both the current interim period and in the corresponding interim period of the preceding year. (See paragraph ~~270-10-50-1B~~270-10-50-19.)
- c. Arbitrary assignment of the amount of such costs to an interim period shall not be made.
- d. Gains and losses that arise in any interim period similar to those that would not be deferred at year end shall not be deferred to later interim periods within the same fiscal year.

Amendments to Topic 275

53. Amend paragraphs 275-10-15-3 and 275-10-60-2, with a link to transition paragraph 270-10-65-1, as follows:

Risks and Uncertainties—Overall

Scope and Scope Exceptions

> Other Considerations

275-10-15-3 The guidance in the Risks and Uncertainties Topic applies to financial statements prepared in conformity with generally accepted accounting principles (GAAP) and applies to all entities that issue such statements. While the guidance in this Topic applies to complete interim financial statements, it does not apply to condensed or summarized interim financial statements. If comparative financial statements are presented, the disclosure requirements apply only to the financial statements for the most recent fiscal period presented.

Relationships

> Interim Reporting

275-10-60-2 See paragraph ~~270-10-50-6~~270-10-50-14 for guidance on disclosure of contingencies in ~~summarized interim financial information~~statements and notes of publicly traded entities.

Amendments to Topic 280

54. Amend paragraph 280-10-50-33, with a link to transition paragraph 270-10-65-1, as follows:

Segment Reporting—Overall

Disclosure

> Operating Segments

> > Disclosure Requirements

> > > Interim Period Information

280-10-50-33 Interim disclosures are required for the current quarter and year-to-date amounts. Paragraph ~~270-10-50-4~~270-10-50-17 states that when ~~summarized financial data~~interim financial statements are regularly reported ~~on a quarterly basis~~, the information in ~~the previous paragraph~~ 280-10-50-32 with respect to the

current quarter and the current year-to-date or the last 12 months to date should be furnished together with comparable data for the preceding year.

Amendments to Topic 320

55. Supersede paragraph 320-10-50-1A, with no link to a transition paragraph, as follows:

Investments—Debt Securities—Overall

Disclosure

~~**320-10-50-1A** Paragraph superseded by Accounting Standards Update No. 2021-XX. The disclosures in this Section are required for all interim and annual periods when complete sets of financial statements are provided by an entity. The disclosures in this Section are not required when an entity provides summarized interim financial information. The minimum disclosure requirements for summarized interim financial information issued by publicly traded entities are established in paragraph 270-10-50-1.~~

Amendments to Topic 450

56. Amend paragraph 450-10-60-1, with a link to transition paragraph 270-10-65-1, as follows:

Contingencies—Overall

Relationships

> Interim Reporting

450-10-60-1 For **contingencies** and other uncertainties that could be expected to affect the fairness of presentation of financial data at an interim date, see paragraph ~~270-10-50-6~~270-10-50-14.

Amendments to Topic 715

57. Amend paragraph 715-20-50-7, with a link to transition paragraph 270-10-65-1, as follows:

Compensation—Retirement Benefits—Defined Benefit Plans—General

Disclosure

> Interim Disclosure Requirements for Nonpublic Entities

715-20-50-7 A nonpublic entity shall disclose in interim periods for which financial statements and notes in accordance with GAAP are prepared ~~a complete set of financial statements is presented~~ the total amount of the employer's contributions paid, and expected to be paid, during the current fiscal year, if significantly different from amounts previously disclosed pursuant to paragraph 715-20-50-5(f). Estimated contributions may be presented in the aggregate combining all of the following:

- a. Contributions required by funding regulations or laws
- b. Discretionary contributions
- c. Noncash contributions.

The amendments in this proposed Update were approved for publication by six members of the Financial Accounting Standards Board. Mr. Cannon abstained.

Richard R. Jones, *Chair*
James L. Kroeker, *Vice Chairman*
Christine A. Botosan
Gary R. Buesser
Frederick L. Cannon
Susan M. Cospers
Marsha L. Hunt

Background Information and Basis for Conclusions

Introduction

BC1. The following summarizes the Board's considerations in reaching the conclusions in this proposed Update. It includes reasons for accepting certain approaches and rejecting others. Individual Board members gave greater weight to some factors than to others.

BC2. The Board is issuing the amendments in this proposed Update as part of the disclosure framework project. The objective and primary focus of the disclosure framework project are to improve the effectiveness of disclosures required by GAAP in the notes to financial statements by facilitating clear communication of information that is most important to financial statement users. Achieving the objective of improving the effectiveness of the notes to financial statements includes:

- a. Developing a framework that promotes consistent Board decisions about disclosure requirements
- b. Reporting entities appropriately exercising discretion in what information is included in the notes.

Background Information

BC3. In May 1973, Accounting Principles Board (APB) Opinion No. 28, *Interim Financial Reporting*, established disclosure requirements for interim reporting. Since then, a number of individual standard-setting activities have added to those requirements.

BC4. On March 4, 2014, the Board issued a proposed FASB Concepts Statement, *Conceptual Framework for Financial Reporting—Chapter 8, Notes to Financial Statements*, which was finalized in August 2018. The proposed Concepts Statement was intended to identify a broad range of possible information for the Board to consider when deciding on the disclosure requirements for a particular Topic. From that intentionally broad set, the Board would identify a narrower set of required disclosures about that Topic that would need to meet a cost-benefit evaluation as well as other considerations. The proposed Concepts Statement would be used by the Board as a basis for establishing disclosure requirements in future accounting standards as well as for evaluating existing disclosure requirements.

BC5. The Board decided to test the guidance in proposed Chapter 8 of Concepts Statement 8 and improve the effectiveness of disclosure requirements on interim reporting using those concepts.

BC6. The Board also obtained extensive feedback before deciding which amendments should be included in this proposed Update. The sources of that feedback include:

- a. Meetings with FASB advisory groups
- b. Outreach meetings with users, preparers, regulators, and practitioners.

Basis for Conclusions

Benefits and Costs

BC7. The objective of financial reporting is to provide information that is useful to present and potential investors, creditors, donors, and other capital market participants in making rational investment, credit, and similar resource allocation decisions. However, the benefits of providing information for that purpose should justify the related costs. Present and potential investors, creditors, donors, and other users of financial information benefit from improvements in financial reporting, while the costs to implement new guidance are borne primarily by present investors. The Board's assessment of the costs and benefits of issuing new guidance is unavoidably more qualitative than quantitative because there is no method to objectively measure the costs to implement new guidance or to quantify the value of improved information in financial statements.

BC8. The Board does not anticipate that entities will incur significant costs as a result of the amendments in this proposed Update. The Board acknowledges that publicly traded companies could incur incremental costs when using discretion to determine what disclosures to provide on an interim basis in accordance with the new principle being proposed in paragraph 270-10-50-9. However, the addition of the language is not intended to change practice because it is in large part based on language that was originally part of SEC Regulation S-X, Rule 10-01. In addition, although the Board believes that few nonpublic entities prepare interim financial statements and notes in accordance with GAAP, those that do are likely leveraging SEC requirements for interim reporting and, therefore, as for publicly traded companies, the language changes are not expected to change practice.

Disclosure Principle

BC9. The Board considered amending Topic 270 to require interim disclosure if there is a substantial likelihood that a reasonable investor would view the updated information as significantly altering the "total mix" of information available. The language in the Board's preliminary discussions aligned with the definition of

materiality, which was included in the 2015 proposed Accounting Standards Update, *Notes to Financial Statements (Topic 235): Assessing Whether Disclosures Are Material*, and proposed amendments to Chapter 3, *Qualitative Characteristics of Useful Financial Information*, of Concepts Statement 8.

BC10. Ultimately, the Board decided not to incorporate a definition of materiality (legal or otherwise) separately into Topic 235, Notes to Financial Statements, because materiality is ultimately integrated into the entire financial reporting system and has implications for more than just disclosure but also recognition and measurement in financial statements.

BC11. In August 2018, the SEC issued Release 33-10532, which became effective in November 2018. That release was intended to remove disclosure requirements duplicative with GAAP, eliminate redundant information in financial statements, and enable investors to make efficient investment decisions. As part of that release, the SEC removed language from Regulation S-X, Rule 10-01, which required the disclosure of significant changes material to the entity for interim reporting. The SEC cited the overlap with the combination of GAAP disclosure requirements in paragraphs 270-10-50-1 and 270-10-50-7 and Regulation S-K 229.303(b), *Management's Discussion and Analysis of Financial Condition and Results of Operations—Full Fiscal Years*.

BC12. In September 2019, the Board decided to add a principle to Topic 270 that is consistent with the removed portion of Regulation S-X, Rule 10-01. The Board noted that it had previously relied on that language to ensure that updates were made in interim-period financial statements. With that language removed, the Board decided to include it as a principle in GAAP.

BC13. As part of stakeholder outreach, the Board considered what disclosures entities would provide under the principle. Also during outreach, participants questioned whether they should (a) disclose only the specific event(s) or transaction(s), (b) update all the required disclosures for the Topic(s) related to an event or transaction, or (c) either focus on the transaction or event or update the entire Topic depending on the facts or circumstances of the transaction or event.

BC14. The Board concluded that disclosures focused on the specific significant event(s) or transaction(s) were the optimal disclosure outcome because they would isolate the effects of significant transactions or events from other transactions or events that could mask or offset their effect on an entity's financial statements. Many financial statement users stated that this information would be useful for their analyses and that it was preparers' preferred alternative during outreach. The Board, therefore, included additional guidance in paragraph 270-10-55-1 of this proposed Update.

BC15. When drafting the principle, the Board decided to retain the terms *significant* and *material*, consistent with Regulation S-X, Rule 10-01. It is the Board's intent that this language would not change practice in terms of the transactions or events that would give rise to additional disclosure.

BC16. The amendments in this proposed Update incorporate feedback from preparers and auditors that when information is required to be reported as a *minimum*, materiality judgments may not be made. The Board decided to remove that language and add language to clarify that disclosures required by Topic 270 may have materiality assessments applied to them.

BC17. The amendments in this proposed Update also state that an entity's assessment of whether to provide interim disclosures would include consideration of information provided at the previous annual period. That clarification is consistent with the Conceptual Framework. Paragraph D73 of Chapter 8 of Concepts Statement 8 states that notes to interim-period financial statements are intended to convey new information or information about significant changes to matters discussed in notes to the most recent annual financial statements. The clarification is also consistent with the presumption that the interim statements are to be viewed while accompanied by the previous annual report.

Clarifying Presentation and Disclosure Alternatives in Interim Reporting

BC18. The Board noted that it would be helpful to clarify that when entities provide financial statements and notes at interim periods, they can either provide complete financial statements or condensed financial statements and they can provide either full note or limited note disclosures in accordance with Topic 270. Additionally, the Board identified the critical nature of the previous annual statements to a user when condensed financial statements, limited notes, or both are provided in interim periods. Therefore, the Board concluded that when condensed financial statements are presented or limited notes are disclosed, those previous annual statements must be made available to the reader.

BC19. Furthermore, the Board concluded that certain existing rules for condensing financial statements at interim periods would be useful and, therefore, adapted those rules for inclusion in GAAP for entities that are not SEC registrants but are preparing interim statements in accordance with GAAP.

BC20. In line with the guidance on presentation and disclosure alternatives in this proposed Update, the Board decided to require a disclosure that would refer the reader to the information that is provided in the previous annual statement, explain that the interim results may not be indicative of the annual results, and state that certain adjustments may be made at interim periods (for example, accruals for estimated expenditures). The Board observed that while this is not an explicit requirement in GAAP, many entities are currently providing this disclosure.

BC21. As a result of making these changes, the Board removed the term *summarized financial information*, which could be confused with the quarterly summarized financial data disclosure in Form 10-K filings, from Topic 270.

Other Topic 270 Amendments

BC22. The Board considered both adding and removing specific disclosure requirements in Topic 270.

BC23. The Board considered feedback received during user outreach, the concepts in Chapter 8, research on supplemental communications made by reporting entities, and feedback on how reporting processes would change on the basis of the principle being part of GAAP. The Board decided not to add any new specific interim disclosure requirements or remove any of the current specific disclosure requirements. The Board noted that users are generally satisfied with the disclosures that are required by GAAP and that any changes to those requirements should be made in the context of a project on a specific Topic, not on a broad-based review limited to interim disclosures such as this project.

BC24. Interim disclosure requirements in addition to those identified in Topic 270 are currently found in other Topics and not referenced in Topic 270. The Board noted that it would be helpful if all interim disclosure requirements, both now and going forward, were listed or referenced in Topic 270 and decided to add links to the requirements to the list of interim disclosures in paragraphs 270-10-50-17 and 270-10-50-21. The Board also decided to add a paragraph to Topic 270 that states that the Topic contains the complete list of interim disclosure requirements and references.

BC25. Likewise, the Board received feedback that the phrase *including reports on fourth quarters* should be removed because preparers do not generally issue separate Form 10-Qs for the fourth quarter and because the phrase is not meant to refer to other reporting such as earnings releases. That phrase also comes from Opinion 28. The amendments in this proposed Update reflect this removal.

Clarifying Language Indicating Comparative Disclosures

BC26. Practitioners and preparers suggested that phrases such as *for all periods presented* or *for each period presented* can create confusion on whether the required information should be disclosed for comparative financial statement periods or every time a reporting entity issues financial statements, including interim-period financial statements. After reviewing Codification paragraphs containing disclosure requirements with that phrasing, the Board determined that the phrasing is intended to result in the periods covered by the disclosure matching the periods covered by the financial statements, not to indicate disclosure at interim periods.

BC27. The amendments in this proposed Update would address this issue in two ways. First, the proposed amendments would clarify each instance of the phrasing to explicitly state that a disclosure requirement applies to comparative periods (which could be annual or interim periods, if required to be disclosed at

interim periods under Topic 270). Second, as noted in paragraph BC24, the proposed amendments would add a paragraph to Topic 270 stating that the Topic provides a complete list of interim disclosure requirements. Those proposed amendments would have two benefits. First, they would ensure that the disclosure requirements with that phrasing are interpreted as requiring disclosure for the intended financial statement periods. Second, they would provide assurance to preparers and practitioners that rely on disclosure checklists that all interim disclosure requirements are in Topic 270.

BC28. Other alternatives were explored to clarify the guidance on comparative disclosures. The Board considered clarifying in Topic 235 that phrases such as *for each period presented* are meant to result in comparative disclosures. However, it is unlikely that in referring to specific disclosure requirements in other Topics, Codification users would refer to Topic 235. Another alternative was to specify that the requirements are annual or interim. The clarification would specify that the requirements are annual for any requirements that included a phrase such as *for each period presented* that were not explicitly included in Topic 270 as interim disclosures. However, if a significant event or transaction occurs at an interim period, those requirements would potentially lead to disclosure at an interim period. Referring to them as annual would not be correct.

Private Company and Not-for-Profit Considerations

BC29. The Board acknowledges that there are different disclosure requirements for publicly traded companies and nonpublic entities. The Board decided to provide background within Section 270-10-05 that recognizes those differences. However, for those nonpublic companies that provide interim financial statements and notes in accordance with GAAP, the Board believes that the reporting requirements should be the same except in those cases where certain disclosures apply specifically to publicly traded companies. Therefore, the Board decided that the amendments in this proposed Update would apply to all entities. That decision would retain those exceptions for nonpublic entities in interim reporting disclosure requirements that currently exist in GAAP.

BC30. The Board believes that the amendments in this proposed Update would not affect a large number of nonpublic entities because feedback indicates that there are not many private companies that currently provide interim financial statements and notes in accordance with GAAP as described in paragraph 270-10-45-20. The definition of interim financial statements and notes is not intended to include interim financial information that provides less information than interim financial statements and notes in accordance with GAAP, such as the provision of specific account balances, specific financial statements, or certain ratios.

Effective Date and Transition

BC31. The amendments in this proposed Update would be applied prospectively.

BC32. The Board acknowledges that a retrospective application would improve comparability of financial information across all periods presented. However, the amendments in this proposed Update are not intended to change practice significantly, but rather to ensure ongoing consistent practice for interim reporting. Retrospective application would not provide vastly different information from what has already been provided in prior periods.

BC33. Additionally, judgments about significance and materiality do not exist in accounting systems, which would make documenting the application of the proposed guidance complex and costly. Therefore, there is a risk that the information gathered may be incomplete if the information was not recorded in an entity's accounting system prior to there being required disclosures. Therefore, an entity would need additional time to design and test internal controls over this manual process to ensure the integrity of the data for financial reporting, which could compromise the timeliness of the disclosures. Therefore, the Board concluded that the expected benefits of retrospective application would not justify the expected costs.

BC34. The Board will determine the effective date and whether early adoption would be permitted after it considers stakeholders' feedback on the amendments in this proposed Update.

Amendments to the GAAP Taxonomy

The provisions of this Exposure Draft, if finalized as proposed, would require improvements to the GAAP Financial Reporting Taxonomy and SEC Reporting Taxonomy (collectively referred to as the “GAAP Taxonomy”). We welcome comments on these proposed improvements to the GAAP Taxonomy at xbrled@fasb.org. After the FASB has completed its deliberations and issued a final Accounting Standards Update, the proposed improvements to the GAAP Taxonomy will be finalized as part of the annual release process.