

# ***Closing the GAAP: New US GAAP Pronouncements***

(includes developments to September 30, 2013)

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The following summarizes US GAAP pronouncements that must be applied, if applicable, for the first time by a calendar year-end entity that prepares financial statements in accordance with US GAAP. This newsletter sets out new requirements by the calendar year in which they are first effective.

The listing includes updates from the FASB Accounting Standard Updates ("ASU").

This ACS newsletter supersedes the information in previous [Newsletter 2013-069](#) and will be updated quarterly. Developments since the previous newsletter, if any, are highlighted in yellow.

While we have attempted to make this newsletter as complete as possible, it may not include all changes or modifications to existing authoritative literature that may affect a particular enterprise.

# Developments related to 2013 calendar years

## Reference Pronouncement and Effective Date Impacting 2013 Calendar Years

**ASU 2013-10 Topic 815** Hedge accounting and US benchmark interest rates

Amended to (i) permit the Fed Funds Effective Swap Rate (OIS) to be used as a US benchmark interest rate for hedge accounting purposes in addition to UST and LIBOR and (ii) remove the restriction on using different benchmark rates for similar hedges.

Effective for qualifying new or redesignated hedging relationships entered into on/after July 17, 2013.

**ASU 2013-09 Topic 820** Nonpublic entities – disclosures related to fair values measurements and employee benefit plans

Defers indefinitely the effective date of certain disclosures in ASU 2011-04 related to quantitative information about significant unobservable inputs used in Level 3 fair value measurements for investments held by a nonpublic employee benefit plan in its plan sponsor's own nonpublic entity equity securities, including equity securities of its plan sponsor's nonpublic affiliated entities.

Effective immediately.

**ASU 2013-03 Topic 825** Nonpublic entities – disclosures related to financial instruments

Amended to clarify that the requirement to disclose "the level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2, or 3)" does not apply to nonpublic entities for items that are not measured at fair value in the statement of financial position, but for which fair value is disclosed.

Effective immediately.

**ASU 2013-02 Topic 220** Reporting amounts reclassified out of accumulated other comprehensive income ("AOCI")

Amended to require an entity to present information about reclassification adjustments from AOCI in their annual financial statements in a single note or on the face of the financial statements.

Effective for public entities for reporting periods (including interim periods) beginning after December 15, 2012.

*Learning more: [DL 2013-03](#)*

**ASU 2013-01 Topic 210** Offsetting assets and liabilities – disclosures

Clarifies the scope of disclosures about offsetting assets and liabilities.

Effective for years beginning on/after January 1, 2013 and interim periods within those years.

*Learning more: [DL 2013-06](#)*

**ASU 2012-07 Topic 926** Entertainment – Films: Impairment analysis of unamortized film costs

Aligns the guidance on fair value measurements in the impairment test of unamortized film costs with the guidance on fair value measurements in other instances within US GAAP.

Effective for SEC filers for impairment assessments performed on/after December 15, 2012. For all other entities, the amendments are effective for impairment assessments performed on or after December 15, 2013.

# Developments related to 2013 calendar years

Reference	Pronouncement and Effective Date Impacting 2013 Calendar Years
ASU 2012-06 Topic 805	<p><u>Business combinations and indemnification assets</u></p> <p>Clarifies the accounting for subsequently remeasuring an indemnification asset recognized as a result of a government-assisted acquisition of a financial institution.</p> <p>Effective for public and nonpublic entities for years, and interim periods within those years, beginning on/after December 15, 2012.</p>
ASU 2012-04	<p><u>Technical corrections and improvements</u></p> <p>Amendments to a wide variety of topics in the Codification. The status tables in paragraphs 288-398 of this ASU list all topics affected by these amendments.</p> <p>For public entities, the amendments that are subject to the transition guidance will be effective for years beginning after December 15, 2012.</p>
ASU 2012-02 Topic 350	<p><u>Testing indefinite-lived intangible assets for impairment</u></p> <p>Revises requirements related to how an entity tests indefinite-lived intangible assets for impairment.</p> <p>Effective for annual and interim impairment tests for years beginning after September 15, 2012.</p>
<i>Learning more: <a href="#">DL 2012-08</a></i>	
ASU 2012-01 Topic 954	<p><u>Health care entities: Continuing care retirement communities and refundable advance fees</u></p> <p>Clarifies the reporting for refundable advance fees received by continuing care retirement communities.</p> <p>Effective for public entities for years beginning after December 15, 2012.</p>
ASU 2011-11 Topic 210	<p><u>Disclosures about offsetting assets and liabilities</u></p> <p>Requires enhanced disclosures about financial instruments and derivative instruments that are either (i) offset in accordance with ASC 210-20-45 or 815-10-45, or (ii) subject to an enforceable master netting arrangement or similar agreement irrespective of whether they are offset in accordance with those sections.</p> <p>Effective for years beginning on/after January 1, 2013.</p>
ASU 2011-10 Topic 360	<p><u>Derecognition of in-substance real estate – scope clarification</u></p> <p>Clarifies whether the guidance in subtopic 360-20 applies to a parent that ceases to have a controlling financial interest in a subsidiary that is in-substance real estate as a result of default on the subsidiary's nonrecourse debt.</p> <p>Effective for public entities for years, and interim periods within those years, beginning on/after June 15, 2012. Effective for nonpublic entities for years ending after December 15, 2013.</p>

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## ***Developments related to 2013 calendar years***

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<b>Reference</b>	<b>Pronouncement and Effective Date Impacting 2013 Calendar Years</b>
ASU 2011-07 Topic 954	<p><u>Presentation and disclosure for certain health care entities</u></p> <p>Amended to require (i) certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue, and (ii) enhanced disclosures.</p> <p>Effective for nonpublic entities for years ending after December 15, 2012 and interim and annual periods thereafter.</p>

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# ***Developments related to 2014 calendar years***

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## **Reference      Pronouncement and Effective Date Impacting 2014 Calendar Years**

<b>ASU 2013-11 Topic 740</b>	<u><a href="#">Income taxes</a></u>  Amended to provide guidance on financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists.  Effective for public entities for years, and interim periods within those years, beginning after December 15, 2013.
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<b>ASU 2013-08 Topic 946</b>	<u><a href="#">Amendments related to investment companies</a></u>  Amends (i) guidance for determining whether an entity is an investment company, and (ii) measurement and disclosure requirements for all entities that are investment entities.  Effective for years, and interim periods within those years, beginning after December 15, 2013.
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**Learning more:** [DL 2013-14](#)

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<b>ASU 2013-07 Topic 205</b>	<u><a href="#">Liquidation basis of accounting</a></u>  Provides guidance on (i) when an entity should apply the liquidation basis of accounting, and (ii) recognition and measurement of assets and liabilities, and requirements for preparation of financial statements, using the liquidation basis of accounting.  Effective for entities that determine liquidation is imminent during years, and interim periods within those years, beginning after December 15, 2013.
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<b>ASU 2013-05 Topic 830</b>	<u><a href="#">Accounting for cumulative translation adjustments</a></u>  Amends cumulative translation adjustment derecognition guidance in particular when (i) an entity ceases to have a controlling financial interest in certain subsidiaries or groups of assets within a foreign entity, or (ii) there is a loss of a controlling financial interest in a foreign entity or a step acquisition involving an equity method investment that is a foreign entity.  Effective for public entities for years, and interim periods within those years, beginning after December 15, 2013.
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**Learning more:** [DL 2013-10](#)

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<b>ASU 2013-04 Topic 405</b>	<u><a href="#">Obligations resulting from joint and several liability arrangements</a></u>  Provides guidance for the recognition, measurement and disclosure of obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date and for which no specific guidance exists.  Effective for public entities for years, and interim periods within those years, beginning after December 15, 2013. For nonpublic entities, effective for years ending after December 15, 2014, and interim and annual periods thereafter.
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**Learning more:** [DL 2013-20](#)

# ***Developments related to 2014 calendar years***

<b>Reference</b>	<b>Pronouncement and Effective Date Impacting 2014 Calendar Years</b>
ASU 2013-02 Topic 220	<p><u>Reporting amounts reclassified out of accumulated other comprehensive income ("AOCI")</u></p> <p>Amended to require an entity to present information about reclassification adjustments from AOCI in their annual financial statements in a single note or on the face of the financial statements.</p> <p>Effective for nonpublic entities for reporting periods beginning after December 15, 2013.</p>
ASU 2013-05 Topic 230	<p><u>Not-for-profit entities ("NFPs") and statement of cash flows</u></p> <p>Amended to provide guidance for NFPs on the classification of cash receipts from the sale of donated financial assets.</p> <p>Effective for years, and interim periods within those years, beginning after June 15, 2013.</p>
ASU 2012-04	<p><u>Technical corrections and improvements</u></p> <p>Amendments to a wide variety of topics in the Codification. The status tables in paragraphs 288-398 of this ASU list all topics affected by these amendments.</p> <p>For nonpublic entities, the amendments that are subject to the transition guidance will be effective for years beginning after December 15, 2013.</p>
ASU 2012-01 Topic 954	<p><u>Health care entities: Continuing care retirement communities and refundable advance fees</u></p> <p>Clarifies the reporting for refundable advance fees received by continuing care retirement communities.</p> <p>Effective for non-public entities for years beginning after December 15, 2013.</p>
ASU 2011-06 Topic 720	<p><u>Fees paid to the federal government by health insurers</u></p> <p>Addresses questions about how health insurers should recognize and classify in their income statements fees mandated by the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act.</p> <p>Effective for calendar years beginning after December 31, 2013 when the fee initially becomes effective.</p>

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# ***Developments related to 2015 calendar years***

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<b>Reference</b>	<b>Pronouncement and Effective Date Impacting 2015 Calendar Years</b>
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<b>ASU 2013-11 Topic 740</b>	<p><u>Income taxes</u></p> <p>Amended to provide guidance on financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists.</p> <p>Effective for nonpublic entities for years, and interim periods within those years, beginning after December 15, 2014.</p>
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<b>ASU 2013-06 Topic 958</b>	<p><u>NPOs and services received from personnel of an affiliate</u></p> <p>Provides guidance for not-for-profit entities ("NPOs") related to recognizing and measuring services received from personnel of an affiliate.</p> <p>Effective for years beginning after June 15, 2014, and interim and annual periods thereafter.</p>
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<b>ASU 2013-05 Topic 830</b>	<p><u>Accounting for cumulative translation adjustments ("CTA")</u></p> <p>Amends cumulative translation adjustment derecognition guidance in particular when (i) an entity ceases to have a controlling financial interest in certain subsidiaries or groups of assets within a foreign entity, or (ii) there is a loss of a controlling financial interest in a foreign entity or a step acquisition involving an equity method investment that is a foreign entity.</p> <p>Effective for nonpublic entities for years beginning after December 15, 2014, and interim and annual periods thereafter.</p>
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**Learning more:** [DL 2013-10](#)

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