



FINANCIAL SERVICES

- Insurance Tax Bulletin

PRICEWATERHOUSECOOPERS 

FASB Votes to Delay Effective Date of FIN 48 for Nonpublic Entities November 7, 2007

Alert Number: 07-77

Today, the Financial Accounting Standards Board (FASB) voted to defer the effective date of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48), for all nonpublic entities. As a result, FIN 48 will first go into effect for nonpublic companies for periods beginning after December 15, 2007.

The FASB's decision, which will be exposed for comment for 30 days, stems from the Board having become convinced that many nonpublic entities and their accountants are just now becoming aware of the implications of FIN 48, particularly the implications for pass-through entities such as S-Corporations. The Board asked its staff to identify the most appropriate mechanism for informing its constituents about FIN 48's scope and accounting implications for S-Corporations and other pass-through entities. The staff's findings will be discussed at a future Board meeting.

The deferral decision will apply only to nonpublic entities that have not yet implemented the provisions of FIN 48. Entities that have already applied the provisions of FIN 48 must continue applying those provisions and therefore will not qualify for the delay. Although the FASB did not specifically discuss early adoption, we believe it will continue to be acceptable.

PwC Observes: Companies should discuss the impact of this development with their external audit firm.

For additional information please call Anthony DiGilio at (202) 414-1702 or contact your local insurance tax professional. Please visit us at: <http://www.pwc.com/us/insurance/tax>

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