Private company insights

A summary of year end accounting reminders for private companies

January 2022
Table of contents

Overview 2

Select standards effective in 2021 3

- Cloud computing implementation costs 3
- Reference rate reform 4
- Revenue: initial franchise fees 5
- Evaluating goodwill triggering events 5
- Private company VIE exception 6

Select standards eligible for early adoption in 2021 7

- Leases 7
- Simplified goodwill impairment model 8
- Customer contracts acquired in a business combination 9
- Income tax simplification 10
- Private company stock compensation practical expedient 10

Resources for going public 11

Appendix 12

- Accounting standard update effective dates 12

PwC reference library 18
Overview

We are pleased to provide PwC’s Private company insights, highlighting private company-specific standard setting developments, and outlining certain US GAAP standards effective or eligible for adoption in 2021 for non-public business entities (referred to within this document as private companies). We provide a brief summary of the standards considered most relevant and insight into what adoption may mean for your company. We also provide references to PwC publications where you can find additional information on the topic. In addition, this publication provides a resource page with links to documents that may be useful when evaluating the implications of going public.

You can find a complete list of standards required (or eligible) to be adopted by private companies in 2021 in the Appendix.

About us: Private clients

Our team, technology, and approach are built around private clients to help them grow and stay ahead of the curve. Our community of solvers across tax, audit, and consulting work to deeply understand our clients' business and vision. We connect them to where they want to go — at the pace and scale they need to build trust and deliver sustained outcomes. With 2,000+ dedicated professionals across the US and 170+ years of experience serving 3,000+ private companies, families, and high net worth individuals, our private company practice is the most established in the market. To learn more, visit pwc.com/privateclients.
Select standards effective in 2021

This section discusses the most significant accounting standards required to be adopted by private companies in 2021. (See page 13 in the Appendix for a complete listing of the standards that private companies are required to adopt in 2021 financial statements.)

Cloud computing implementation costs

**ASU 2018-15**

ASU 2018-15 addresses a customer’s accounting for implementation, set-up, and other upfront costs incurred in a cloud computing arrangement (CCA) that is hosted by the vendor (i.e., a service contract). Under the new guidance, customers will apply the same criteria for capitalizing implementation costs as they would for an arrangement that has a software license.

Although the initial accounting for CCA implementation costs follows the internal-use software model (i.e., the determination of whether costs should be capitalized), the new guidance requires financial statement presentation of such costs similar to other services. Specifically, capitalized implementation costs should be presented in the same line item on the balance sheet as amounts prepaid for the hosted CCA service, generally as an other asset. Amortization of capitalized implementation costs should be presented in the same line on the income statement as the fees for the associated hosted CCA service and should not be included in depreciation and amortization expense.

Private companies can apply either a prospective or retrospective approach for transition. The prospective transition would be applied to any eligible costs incurred after the adoption date, whereas the retrospective transition would require a cumulative-effect adjustment to retained earnings.

**Where can I learn more**

*Property, plant, equipment and other assets* guide, Chapter 7  
*Financial statement presentation* guide, Chapter 8  
*Moving to the cloud? Business considerations for the new cloud computing accounting standard*  
*Accounting for cloud computing costs: 5 things you need to know* podcast  
*Buying or developing new software? Know which guidance to use* podcast  
*Thinking about finance transformation? Let’s talk software costs* video  

**Effective dates**

Fiscal years beginning after December 15, 2020, and all interim periods beginning after December 15, 2021  
Early adoption is permitted
Reference rate reform

ASU 2020-04 & ASU 2021-01

It is currently expected that LIBOR will cease to exist beyond 2023, with some LIBOR benchmarks already discontinued in 2021. There may be accounting implications to changing the reference rates in financial instruments such as debt agreements, investments, and derivatives.

In March 2020, the FASB issued ASU 2020-04, which provides optional relief from the accounting analysis and impacts that may otherwise be required for modifications to agreements resulting from the discontinuation of LIBOR. Additionally, this guidance provides optional expedients to enable companies to continue to apply hedge accounting to certain hedging relationships impacted by reference rate reform. These relief provisions must be affirmatively elected by companies.

In January 2021, the FASB issued follow-up guidance in ASU 2021-01 which, among other changes, provides new optional expedients allowing derivative instruments impacted by changes in the interest rate used for margining, discounting, or contract price alignment (i.e., discount transition) to qualify for certain optional relief.

If a company plans to elect the optional expedients offered by the new guidance, it should ensure that modifications to contracts unrelated to reference rate reform are not made contemporaneously with changes to replace the reference rate in the contract. This is because contemporaneous changes would disqualify companies from applying the optional relief.

Where can I learn more

Reference rate reform guide
Contracts filled with LIBOR references? Now what? podcast
ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting
ASU 2021-01, Reference Rate Reform (Topic 848): Scope

Effective dates

Immediately through December 31, 2022 (optional)
Practical expedient for private company franchisors

**ASU 2021-02**

In January 2021, the FASB issued [ASU 2021-02](https://www.fasb.org/acodatabase/standard/2021-02) to simplify the accounting for certain pre-opening activities in a franchise agreement. Under this guidance, a private company franchisor can elect to account for certain pre-opening services as distinct from the franchise license without performing the assessment otherwise required by the revenue standard. The optional expedient only applies to identifying performance obligations in the revenue recognition model and does not amend other aspects of the revenue standard.

Where can I learn more

Revenue from contracts with customers guide, [Chapter 3](https://www.fasb.org/acodatabase/standard/2021-02) and [Chapter 8](https://www.fasb.org/acodatabase/standard/2021-02), [ASU 2021-02, Franchisors -- Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient](https://www.fasb.org/acodatabase/standard/2021-02)

Effective dates

For entities that already have adopted ASC 606, fiscal years beginning after December 15, 2020, and interim periods within those fiscal years.

Evaluating goodwill triggering events

**ASU 2021-03**

In March 2021, the FASB issued [ASU 2021-03](https://www.fasb.org/acodatabase/standard/2021-03), which provides an accounting alternative allowing private companies and not-for-profit entities (NFPs) to forgo the evaluation of goodwill impairment triggering events occurring throughout a reporting period.

The accounting alternative allows private companies to only evaluate goodwill impairment triggering events as of the end of the reporting period and, if necessary, to recognize and measure any resulting goodwill impairment as of that date. This may provide relief to private companies by eliminating the requirement to evaluate interim goodwill impairment triggering events as they occur during the reporting period. The term “reporting period” is not defined in the ASU. As such, companies will need to carefully consider whether they have provided financial information that is asserted to be recognized and measured in accordance with GAAP and thereby created a reporting period.

Where can I learn more


Effective dates

On a prospective basis for fiscal years beginning after December 15, 2019. Adoption is permitted for both interim and annual financial statements that have not been issued or made available for issuance as of March 30, 2021.
Variable interest entity (VIE) accounting alternative

**ASU 2018-17**

ASU 2018-17 expands the application of the private company accounting alternative related to VIEs and changes the guidance for determining whether a decision-making fee is a variable interest. Under the new guidance, a private company meeting certain criteria can make an accounting policy election to not apply the VIE guidance to all legal entities under common control if neither the parent nor the legal entity being evaluated for consolidation are public business entities.

The new guidance also provides that indirect interests held through related parties under common control are considered on a proportional basis when determining whether fees paid to decision makers and service providers are variable interests.

**Where can I learn more**

Consolidation guide, Chapter 2

ASU 2018-17, Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities

**Effective dates**

Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021

Early adoption is permitted
Standards eligible for early adoption in 2021

This section discusses the accounting standards private companies may be inclined to early adopt in 2021. (See page 14 in the Appendix for a complete listing of standards eligible for early adoption.)

Leases

**ASU 2016-02 and related updates**

**ASU 2020-05** provides an additional one year deferral of the effective date of the new leases standard for private companies. As a result, the standard is now required to be adopted in 2022 for calendar year-end private companies. Similar to the deferral of the revenue standard, the deferral of the new leases standard was intended to provide relief to nonpublic companies and not-for-profit entities whose implementation efforts were delayed by the COVID-19 pandemic.

Under the new leases standard, lessees are required to recognize substantially all leases on their balance sheet as a right-of-use asset and lease liability. This is a significant change from the current leases guidance, under which operating leases are not reported on the balance sheet and instead are only disclosed in the footnotes to the financial statements. This and other provisions of the new standard are likely to introduce some level of change for all entities that are party to a lease arrangement. In addition, lease-related disclosures under the new standard are more robust as compared to the current leases guidance.

Under ASC 842, *Leases*, a lessee that is not a public business entity can make an election to use the risk-free rate for all leases. In November 2021, the FASB issued guidance (**ASU 2021-09**), which allows lessees that are not public business entities to use a risk-free rate as the discount rate to classify and measure leases by class of underlying asset, rather than on an entity-wide level. The amendments also require that a lessee use the rate implicit in the lease for any individual lease when it is readily determinable, regardless of whether it has made the risk-free rate election.

**Where can I learn more**

*Leases* guide

Private companies: Evaluate lease contracts once – for cost savings and ASC 842 compliance

Revenue, leases and CECL: Lessons learned from implementation podcast

PwC’s lease accounting issues website

**ASU 2016-02, Leases (Topic 842)**

**ASU 2021-05, Leases (Topic 842): Lessors - Certain Leases with Variable Lease Payments**

**ASU 2021-09, Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities**

**Effective dates**

Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022

Early adoption is permitted
ASU 2017-04 simplifies the goodwill impairment test by eliminating step two, which required a hypothetical purchase price allocation to measure goodwill impairment. Under the new guidance, a goodwill impairment loss is measured as the amount by which a reporting unit’s carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill. Companies will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary.

Although some private companies apply the Private Company Council goodwill accounting alternative allowing for the amortization of goodwill, many private companies do not amortize goodwill and instead test goodwill for impairment annually. For these companies, early adopting the simplified goodwill impairment model may reduce the cost and complexity of performing a goodwill impairment analysis, particularly in a year of economic volatility.

Where can I learn more

[Navigating the new goodwill impairment testing guidance (ASU 2017-04)]

Effective dates

Annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2022

Early adoption is permitted
Customer contracts acquired in a business combination

**ASU 2021-08**

In October 2021, the FASB issued ASU 2021-08, which requires contract assets and contract liabilities (i.e., deferred revenue) acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, *Revenue from Contracts with Customers.*

The acquirer should determine what contract assets and/or contract liabilities it would have recorded under ASC 606 (the revenue guidance) as of the acquisition date, as if the acquirer had entered into the original contract at the same date and on the same terms as the acquiree. Generally, this new guidance will result in the acquirer recognizing contract assets and contract liabilities at the same amounts recorded by the acquiree.

This is a change from current guidance, which requires contract assets and contract liabilities acquired in a business combination to be measured at their acquisition-date fair values. Applying the provisions of ASC 606 to calculate the amount of contract liabilities may result in an increase in contract liabilities recorded in acquisition accounting, which would generally produce an offsetting increase in goodwill. An increase in the acquired contract liabilities balance will result in a corresponding increase in the subsequent revenue recognized by the acquirer.

Private companies may be inclined to adopt this standard early as revenue recorded by the acquirer post-acquisition will more closely align with the acquiree’s revenue recognition prior to the acquisition as well as the acquirer’s revenue recognition on similar contracts entered into after the acquisition. Upon adoption, the guidance needs to be applied to all business combinations that occurred in the year of adoption.

**Where can I learn more**

- New rules on acquired revenue contracts podcast
- Accounting for acquired contract assets and contract liabilities In-Depth publication
- ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

**Effective dates**

Fiscal years beginning after December 15, 2023, including interim periods within those years

Early adoption is permitted
**Income tax simplification**

**ASU 2019-12**

**ASU 2019-12** simplifies income tax accounting as part of the FASB’s overall simplification initiative. The simplification guidance includes the removal of certain exceptions to the general principles of ASC 740, *Income taxes*, in order to reduce the cost and complexity of their application. Amendments also include simplification in several other areas, such as accounting for a franchise tax (or similar tax) that is partially based on income. Although not effective until 2022 for private companies, companies may want to consider early adoption to take advantage of the simplifications.

**Where can I learn more**

- [FASB simplifies accounting for income taxes](https://www.fasb.org/)
- [ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes](https://www.fasb.org/)

**Effective dates**

- Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022
- Early adoption is permitted

---

**Private company expedient to determine the current share price of a stock compensation award**

**ASU 2021-07**

In October 2021, the FASB issued **ASU 2021-07**, which provides a practical expedient for private companies to determine the current price input of equity-classified share-based awards using a reasonable valuation method. The ASU describes characteristics of a reasonable valuation method, including the date to be used, factors to consider, and scope of information included. For example, a reasonable valuation performed for tax purposes in accordance with the applicable Treasury Regulations would be permitted under the practical expedient.

Although not effective until 2022, private companies may want to consider early adoption to take advantage of potential cost savings if they currently obtain separate valuations to satisfy their compliance with US GAAP reporting and tax regulations.

**Where can I learn more**

- [ASU 2021-07, Compensation—Stock Compensation (Topic 718): Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards](https://www.fasb.org/)

**Effective dates**

- Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022
- Early adoption is permitted
Resources for going public

There are multiple paths to going public, whether it be through an IPO, SPAC, or direct listing. No matter the path, the process of becoming public requires management to be prepared to meet shareholder and market expectations from day one, which can result in a number of challenging governance, accounting, and financial reporting considerations. This section highlights PwC resources and publications available to assist when planning to go public.

Corporate governance

Both the SEC and stock exchanges have rules that affect a public company’s board structure and governance practices. In addition to deciding how to implement those rules, you’ll have to make a number of other decisions that range from board size and composition to which governance policies you want to adopt. For help navigating these decisions, refer to our Going public? What you need to know about corporate governance and Exploring an IPO: the top 10 questions board should ask.

Roadmap for an IPO

For organizations looking to open paths to capital, particularly an IPO, it is critical to leverage the right insights to make the right moves at the right times. Refer to Roadmap for an IPO for a guide to going public.

Cost of an IPO

The process of going public can be lengthy and costly, but the potential rewards make it worthwhile for many organizations. A realistic expectation of these costs can help improve budgeting, limit surprises, and ensure alignment of the management team, board of directors, and other key stakeholders. Our IPO cost calculator provides you with a peer comparison of publicly-disclosed costs of going public.

SPAC transactions

Special purpose acquisition companies (SPACs) provide an alternative way for management teams and sponsors to take companies public. A SPAC raises capital through an IPO with the intention of acquiring a private operating company (“private company” or “target company”). When a private company is acquired by a publicly traded SPAC, it effectively becomes a public company without executing its own IPO. The merger of a SPAC with a target company presents several challenges. Our In depth highlights several of the financial reporting and accounting considerations and our responses to frequently asked questions on the SPAC merger process, “Super 8-K” reporting, and the ongoing reporting requirements subsequent to the SPAC merger.

Also refer to our Facts on SPACs podcast series for discussions around some of the key issues relating to these transactions. Specifically, the podcasts Facts on SPACs: Accounting differences between private and public and Forecast 2021: Operational readiness for IPOs, SPACs, and spins, may be helpful for companies considering going public.
### Appendix

**Standards effective in 2021 for calendar year-end nonpublic companies**

**Guidance effective for calendar year-end nonpublic companies**

<table>
<thead>
<tr>
<th>ASU No.</th>
<th>Standard name</th>
<th>Effective date</th>
<th>Early adoptable</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU 2017-12</td>
<td>Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities</td>
<td>As amended by ASU 2019-10, fiscal years beginning after December 15, 2020, and interim periods beginning after December 15, 2021</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2018-16</td>
<td>Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes</td>
<td>For entities that have not already adopted ASU 2017-12, concurrent with ASU 2017-12</td>
<td>Yes for entities that have already adopted ASU 2017-12</td>
</tr>
<tr>
<td>ASU 2018-18</td>
<td>Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606</td>
<td>Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021</td>
<td>Yes, but no earlier than the adoption date of ASC 606</td>
</tr>
<tr>
<td>ASU 2019-02</td>
<td>Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and</td>
<td>Fiscal years beginning after December 15, 2020, and interim periods within those fiscal years</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2019-04</td>
<td>Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments</td>
<td><strong>Topic 3 (Amendments to Topic 815):</strong> - For entities that have not yet adopted ASU 2017-12, the same as ASU 2017-12</td>
<td><strong>Topic 3:</strong> Yes, if ASU 2017-12 has been adopted</td>
</tr>
<tr>
<td>ASU 2019-10</td>
<td>Financial Instruments: Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates</td>
<td><strong>Hedging &amp; leases:</strong> Fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021</td>
<td>Not applicable</td>
</tr>
<tr>
<td>ASU 2020-03</td>
<td>Codification Improvements to Financial Instruments</td>
<td><strong>Issues 6 and 7:</strong> For entities that have not yet adopted the amendments related to ASU 2016-13, the same as ASU 2016-13</td>
<td></td>
</tr>
<tr>
<td>ASU 2021-01</td>
<td>Reference Rate Reform (Topic 848): Scope</td>
<td>Upon issuance (January 7, 2021) through December 31, 2022</td>
<td>Not applicable</td>
</tr>
<tr>
<td>ASU 2021-02</td>
<td>Franchisors—Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient</td>
<td>Fiscal years beginning after December 15, 2020, and interim periods within those fiscal years</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2021-03</td>
<td>Intangibles—Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events</td>
<td>On a prospective basis for fiscal years beginning after December 15, 2019</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Standards effective in 2022 and beyond for calendar year-end nonpublic companies

Guidance effective for calendar year-end nonpublic companies

<table>
<thead>
<tr>
<th>ASU No.</th>
<th>Standard name</th>
<th>Effective date</th>
<th>Early adoptable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2022</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASU 2016-02</td>
<td>Leases (Topic 842)</td>
<td>As amended by ASU 2020-05, fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2018-01</td>
<td>Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842</td>
<td>Upon issuance for entities that early adopted Topic 842 For entities that have not adopted Topic 842, the same as the effective date in Topic 842</td>
<td>Not applicable</td>
</tr>
<tr>
<td>ASU 2018-10</td>
<td>Codification Improvements to Topic 842, Leases</td>
<td>Upon issuance for entities that early adopted Topic 842 For entities that have not adopted Topic 842, the same as the effective date in Topic 842</td>
<td>Not applicable</td>
</tr>
<tr>
<td>ASU 2018-11</td>
<td>Leases (Topic 842): Targeted Improvements</td>
<td>For entities that have not adopted Topic 842, the effective date for the new lessor practical expedient is the same as the effective date for Topic 842 Entities that have already adopted Topic 842 may apply the new lessor practical expedient (1) to the first reporting period following the issuance of the practical expedient or (2) at the original effective date of Topic 842</td>
<td>Not applicable</td>
</tr>
<tr>
<td>ASU 2018-20</td>
<td>Leases (Topic 842): Narrow-Scope Improvements for Lessors</td>
<td>For entities that have not adopted Topic 842, the effective date is the same as the effective date for Topic 842 Entities that have already adopted Topic 842 may apply the amendments (1) at the original effective date of Topic 842 for the entity, (2) in the first reporting period ending after the issuance of this Update or (3) in the first reporting</td>
<td>Not applicable</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>ASU 2019-12</td>
<td>Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes</td>
<td>Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2020-01</td>
<td>Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions between Topic 321, Topic 323, and Topic 815</td>
<td>Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2020-07</td>
<td>Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets</td>
<td>Fiscal years beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2020-08</td>
<td>Codification Improvements to Subtopic 310-20, Receivables—Nonrefundable Fees and Other Costs</td>
<td>Fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022</td>
<td>Yes, but only for fiscal years beginning after December 15, 2020</td>
</tr>
<tr>
<td>ASU 2020-10</td>
<td>Codification Improvements</td>
<td>Fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2021-04</td>
<td>Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options</td>
<td>Fiscal years beginning after December 15, 2021, and interim periods within those fiscal years</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2021-05</td>
<td>Leases (Topic 842) Lessors—Certain Leases with Variable Lease Payments</td>
<td>Fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2021-09</td>
<td>Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities</td>
<td>For entities that have adopted ASC 842, fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. For entities that have not already adopted ASC 842, concurrent with ASC 842.</td>
<td>Yes</td>
</tr>
<tr>
<td>ASU 2021-10</td>
<td>Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance</td>
<td>Financial statements issued for annual periods beginning after December 15, 2021</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### 2023

| ASU 2016-13 | Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments | As amended by ASU 2019-10, fiscal years beginning after December 15, 2022, including interim periods within those fiscal years | Yes |
| ASU 2018-19 | Codification Improvements to Topic 326, Financial Instruments - Credit Losses | The effective date is the same as the effective date in ASU 2016-13 | Not applicable |
| ASU 2019-04 | Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments | Topics 1, 2, and 5 (Amendments to Topic 326): - For entities that have not yet adopted ASU 2016-13, the same as ASU 2016-13. | Topics 1, 2, and 5: Yes, if ASU 2016-13 has been adopted |
| ASU 2019-05 | Financial Instruments - Credit Losses (Topic 326) Targeted Transition Relief | For entities that have not yet adopted ASU 2016-13, the effective date is the same as for ASU 2016-13 | Early adoption is permitted if ASU 2016-13 has already been adopted |
| ASU 2019-11 | Codification Improvements to Topic 326, Financial Instruments - Credit Losses | For entities that have not yet adopted ASU 2016-13, the effective date is the same as for ASU 2016-13 | Early adoption is permitted if ASU 2016-13 has already been adopted |
| ASU 2017-04 | Intangibles - Goodwill and Other (Topic 350) | As amended by ASU 2019-10, annual or interim goodwill impairment tests in fiscal years beginning after December | Yes, for any goodwill impairment tests performed after |

For entities that have not already adopted ASC 842, concurrent with ASC 842.
<table>
<thead>
<tr>
<th>ASU 2019-10</th>
<th>Financial Instruments -- Leases (Topic 842): Effective Dates</th>
<th>Credit losses &amp; goodwill impairment: Fiscal years beginning after December 15, 2022, including interim periods within those fiscal years</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASU 2020-06</td>
<td>Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging— Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity</td>
<td>Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years</td>
<td>Yes, but only as of the beginning of a fiscal year beginning after December 15, 2020</td>
</tr>
<tr>
<td>ASU 2021-08</td>
<td>Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers</td>
<td>Fiscal years beginning after December 15, 2023, and interim periods within those fiscal years (guidance needs to be applied to all business combinations that occurred in the year of adoption)</td>
<td>Yes</td>
</tr>
</tbody>
</table>
PwC reference library

Private company perspectives

Our private company perspectives microsite includes the latest accounting and reporting insights exclusively for private companies and entrepreneurial businesses. Additionally, subscribe to our monthly private company perspectives newsletter to receive the latest insights delivered directly to your inbox.

PwC’s accounting podcast series

Our accounting podcast series includes a library of podcasts covering the most significant accounting and reporting trends relevant for the year-end close. They include the Full disclosure podcast series focusing on all things related to financial statement presentation and disclosure, from the top of the financial statements through the footnotes.

For all of our podcasts on today’s most compelling accounting and financial reporting issues, subscribe to our podcast feed on your podcast platform of choice.

Accounting and reporting webcasts

Register for our quarterly accounting and reporting webcast to earn CPEs while staying up to date on accounting, reporting, and governance trends every quarter.

Subscribe to our weekly accounting newsletter

Interested in staying current on newly released PwC accounting, financial reporting, and business content, in addition to highlights from regulators and standard setters? Subscribe to PwC’s weekly accounting newsletter and have our newsletter delivered to your inbox every Friday.