



Audit



Standard



Dates

# FASB proposes deferring some effective dates

August 20, 2019

Proposals issued will affect dates for several standards.



## Johanna Pérez

Partner Head of Audit

T (1) 787 754 1915

E [johanna.perez@pr.gt.com](mailto:johanna.perez@pr.gt.com)

During meeting celebrated on July 17, 2019, the FASB decided to issue two proposed Accounting Standards Updates (ASU) that would defer the effective dates for several major standards. The deferred effective dates would be staggered for different types of entities, including SEC filers, smaller reporting companies (SRCs), other public business entities (PBEs), private companies, and not-for-profit entities.

The following summarizes the proposed revisions to the effective dates for each major standard:

### The deferred effective dates would be staggered for different types of entities.

#### Leases (ASC 842)

- **Type of entity:** PBEs  
**Current effective date:** Fiscal years beginning after Dec. 15, 2018, and interim periods within those fiscal years  
**Proposed effective date:** No change
- **Type of entity:** Not-for-profit entities that have issued or are conduit bond obligors for securities that are traded, listed, or quoted on an exchange or an over-the-counter market  
**Current effective date:** Fiscal years beginning after Dec. 15, 2018, and interim periods within those fiscal years  
**Proposed effective date:** No change
- **Type of entity:** Employee benefit plans that file or furnish financial statements with or to the SECs  
**Current effective date:** Fiscal years beginning after Dec. 15, 2018, and interim periods within those fiscal years  
**Proposed effective date:** No change

Visit our website to view additional articles

[www.grantthornton.pr](http://www.grantthornton.pr)

- **Type of entity:** All other entities  
**Current effective date:** Fiscal years beginning after Dec. 15, 2019, and interim periods within fiscal years beginning after Dec. 15, 2020  
**Proposed effective date:** Fiscal years beginning after Dec. 15, 2020, and interim periods within fiscal years beginning after Dec. 15, 2021

#### **Credit losses (ASC 326)**

- **Type of entity:** SEC filers (excluding SRCs)  
**Current effective date:** Fiscal years beginning after Dec. 15, 2019, and interim periods within those fiscal years  
**Proposed effective date:** No change
- **Type of entity:** SEC filers that are SRCs  
**Current effective date:** Fiscal years beginning after Dec. 15, 2019, and interim periods within those fiscal years  
**Proposed effective date:** Fiscal years beginning after Dec. 15, 2022, and interim periods within those fiscal years
- **Type of entity:** All other PBEs  
**Current effective date:** Fiscal years beginning after Dec. 15, 2020, and interim periods within those fiscal years  
**Proposed effective date:** Fiscal years beginning after Dec. 15, 2022, and interim periods within those fiscal years
- **Type of entity:** All other entities  
**Current effective date:** Fiscal years beginning after Dec. 15, 2021, and interim periods within those fiscal years  
**Proposed effective date:** Fiscal years beginning after Dec. 15, 2022, and interim periods within those fiscal years

#### **Hedging (ASC 815, as amended by ASU 2017-12)**

- **Type of entity:** PBEs  
**Current effective date:** Fiscal years beginning after Dec. 15, 2018, and interim periods within those fiscal years  
**Proposed effective date:** No change
- **Type of entity:** All other entities  
**Current effective date:** Fiscal years beginning after Dec. 15, 2019, and interim periods within fiscal years beginning after Dec. 15, 2020  
**Proposed effective date:** Fiscal years beginning after Dec. 15, 2020, and interim periods within fiscal years beginning after Dec. 15, 2021

#### **Long-duration insurance contracts (ASC 944, as amended by ASU 2018-12)**

- **Type of entity:** SEC filers (excluding SRCs)  
**Current effective date:** Fiscal years beginning after Dec. 15, 2020, and interim periods within those fiscal years  
**Proposed effective date:** Fiscal years beginning after Dec. 15, 2021, and interim periods within those fiscal years
- **Type of entity:** SEC filers that are SRCs  
**Current effective date:** Fiscal years beginning after Dec. 15, 2020, and interim periods within those fiscal years  
**Proposed effective date:** Fiscal years beginning after Dec. 15, 2023, and interim periods within fiscal years beginning after Dec. 15, 2024

- **Type of entity:** All other PBEs  
**Current effective date:** Fiscal years beginning after Dec. 15, 2020, and interim periods within those fiscal years  
**Proposed effective date:** Fiscal years beginning after Dec. 15, 2023, and interim periods within fiscal years beginning after Dec. 15, 2024
- **Type of entity:** All other entities  
**Current effective date:** Fiscal years beginning after Dec. 15, 2021, and interim periods within fiscal years beginning after Dec. 15, 2022  
**Proposed effective date:** Fiscal years beginning after Dec. 15, 2023, and interim periods within fiscal years beginning after Dec. 15, 2024

## Definitions

### Public business entity

As defined in the Master Glossary in the FASB's Codification, a "public business entity" is a business entity meeting any one of the criteria below. Neither a not-for-profit entity nor an employee benefit plan is a business entity:

- it is required by the SEC to file or furnish financial statements, or does file or furnish financial statements (including voluntary filers), with the SEC (including other entities whose financial statements or financial information are required to be or are included in a filing).
- it is required by the Securities Exchange Act of 1934 (the Act), as amended, or rules or regulations promulgated under the Act, to file or furnish financial statements with a regulatory agency other than the SEC.
- it is required to file or furnish financial statements with a foreign or domestic regulatory agency in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer.
- it 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.
- it has one or more securities that are not subject to contractual restrictions on transfer, and it is required by law, contract, or regulation to prepare U.S. GAAP financial statements (including notes) and make them publicly available on a periodic basis (for example, interim or annual periods). An entity must meet both of these conditions to meet this criterion.

An entity may meet the definition of a public business entity solely because its financial statements or financial information is included in another entity's filing with the SEC. In that case, the entity is only a public business entity for purposes of financial statements that are filed or furnished with the SEC.

### SEC filer

An "SEC filer" is defined in the Master Glossary as an entity that is required to file or furnish its financial statements with either of the following:

- the SEC
- with respect to an entity subject to Section 12(i) of the Securities Exchange Act of 1934, as amended, the appropriate agency under that Section

Financial statements for other entities that are not otherwise SEC filers whose financial statements are included in a submission by another SEC filer are not included within this definition.

### Smaller reporting company

A “smaller reporting company” is defined in Rule 12b-2, Definitions, of the Securities Exchange Act of 1934; Rule 405, Definition of terms, in the Securities Act of 1933; and Item 10(f) of Regulation S-K. Refer to New Developments Summary 2018-09 for information about the definition of “smaller reporting company.”

Source:

Grant Thornton, On the Horizon July 18, 2019.

We are committed to keep you updated of all developments that may affect the way you do business in Puerto Rico. Please contact us for further assistance in relation to this or any other matter.



[grantthornton.pr](http://grantthornton.pr)

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2019 Kevane Grant Thornton LLP All rights reserved. Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit [www.grantthornton.pr](http://www.grantthornton.pr) for further details.