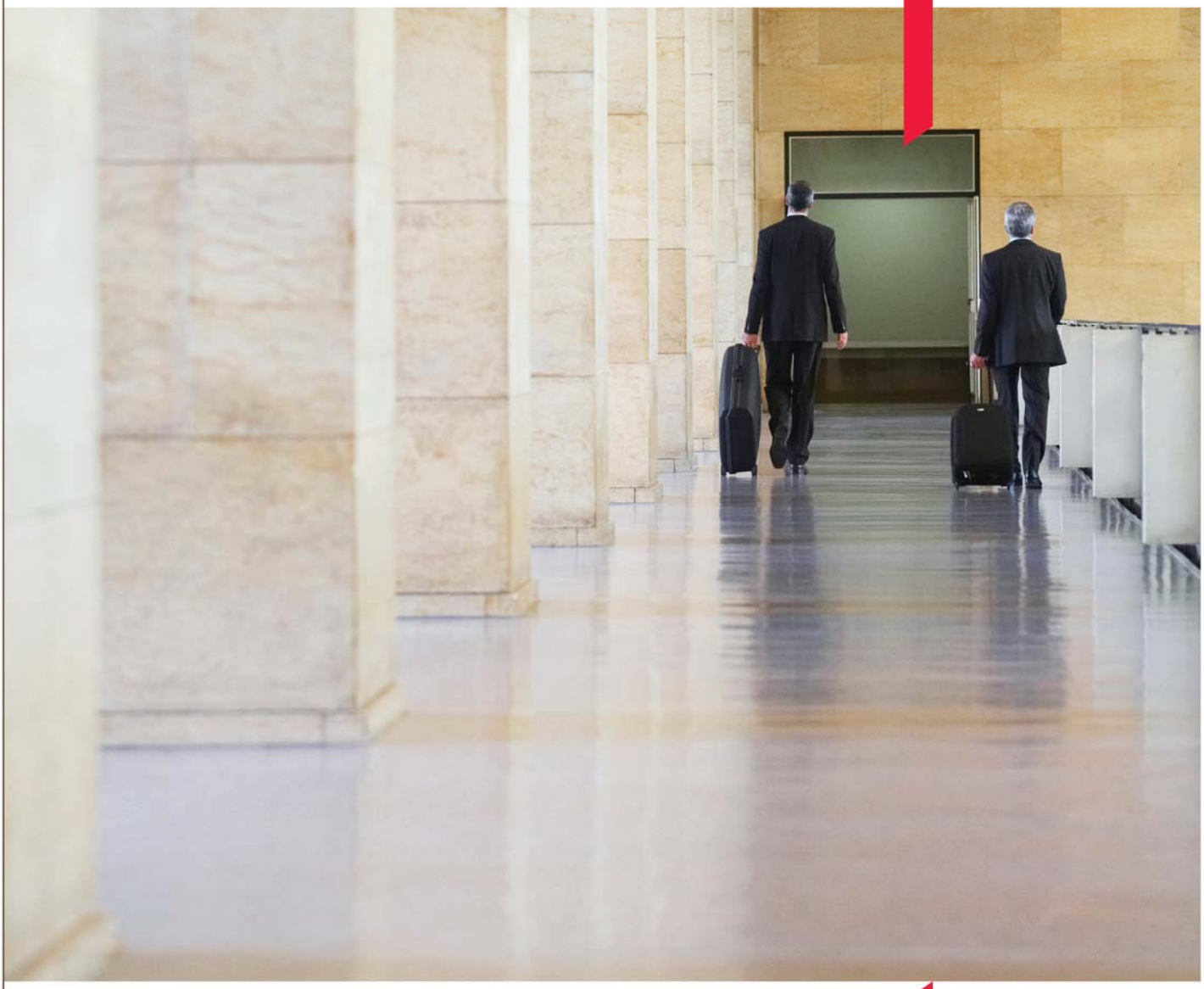
FOURTH QUARTER 2015

AN OFFERING FROM BDO'S NATIONAL ASSURANCE PRACTICE

SIGNIFICANT ACCOUNTING & REPORTING MATTERS



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▶FINANCIAL ACCOUNTING STANDARDS BOARD (FASB)

FINAL FASB GUIDANCE

All final FASB guidance can be accessed on the **FASB website** located under the *Standards* tab, *Accounting Standards Updates*.

Accounting Standards Update 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*

Issued: November 2015

Summary: ASU 2015-17 eliminates the guidance in Topic 740, Income Taxes, that required an entity to separate deferred tax liabilities and assets between current and noncurrent amounts in a classified balance sheet. The amendments require that all deferred tax liabilities and assets of the same tax jurisdiction or a tax filing group, as well as any related valuation allowance, be offset and presented as a single noncurrent amount in a classified balance sheet.

Prior U.S. GAAP required that in a classified balance sheet, deferred tax liabilities and assets be separated into a current and a noncurrent amount on the basis of the classification of the related asset or liability. If deferred tax liabilities and assets did not relate to a specific asset or liability, such as a carryforward, they were classified according to the expected reversal date of the temporary difference.

For additional information, refer to BDO's Alert.

Effective Date: The amendments are effective for public business entities for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted as of the beginning of any interim or annual reporting period. Entities may adopt the guidance prospectively or retrospectively. Certain transition disclosures are required.

Emerging Issues Task Force (EITF) Issues – Final Consensuses

Status: The EITF reached final consensus on the following issues in November 2015. FASB ratification occurred on December 11, 2015, and final ASUs are expected shortly.

Issue 15-B: Recognition of Breakage for Prepaid Stored-Value Products

Summary: An issuer's liability for prepaid stored-value products meets the definition of a financial liability, and a narrow-scope exception will be added to the derecognition guidance in Subtopic 405-20 such that breakage associated with these liabilities should be accounted for consistent with the breakage guidance in Topic 606.

Effective Date and Transition: The final consensus is expected to be effective for public business entities, certain not-for-profit entities and certain employee benefit plans for annual reporting periods beginning after December 15, 2017 and for all other entities for annual reporting periods beginning after December 15, 2018. Early adoption will be permitted.

Issue 15-D: Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships

Summary: Topic 815 will be clarified such that a change in one of the parties to a derivative contract that is part of an existing hedge accounting relationship does not, in and of itself, require dedesignation of that hedge relationship.

Effective Date and Transition: The final consensus is expected to be effective for public business entities for fiscal years beginning after December 15, 2016 and for all other entities for fiscal years beginning after December 15, 2017. Early adoption will be permitted.

Issue 15-E: Contingent Put and Call Options in Debt Instruments

Summary: The requirements in Topic 815 for assessing whether contingent call (put) options that can accelerate the payment of principal on debt instruments are clearly and closely related to their debt hosts will be clarified. An entity performing the assessment under the proposed amendments will be required to assess the embedded call (put) options solely in accordance with the four-step decision sequence. When a call (put) option is contingently exercisable, an entity will not have to assess whether the event that triggers the ability to exercise a call (put) option is related to interest rates or credit risks. For example, when evaluating debt instruments puttable upon a change in control, the change in control itself would not be relevant to the assessment. Only the resulting settlement of debt would be subject to the four-step decision sequence.

Effective Date and Transition: The final consensus is expected to be effective for public business entities for fiscal years beginning after December 15, 2016 and for all other entities for fiscal years beginning after December 15, 2017. Early adoption will be permitted.

PROPOSED FASB GUIDANCE

The following is a summary of significant proposed guidance that was issued or was open for comment during the quarter. All proposed FASB guidance can be accessed on the **FASB website** located under the *Projects* tab.

Proposed Accounting Standards Update, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*

Issued: December 2015

Comment Deadline: February 29, 2016

Summary: The proposed amendments would improve disclosures about fair value measurements by removing, modifying, or adding certain disclosure requirements.

The following disclosure requirements would be removed: the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy; the policy for timing of transfers between levels; the valuation policies and procedures for Level 3 fair value measurements; and for private companies, the change in unrealized gains and losses for the period included in earnings (or changes in net assets) on recurring Level 3 fair value measurements held at the end of the reporting period.

Modifications to the disclosure requirements would affect the following disclosures: for private companies, transfers and purchases of Level 3 assets and liabilities; for all entities, the timing of liquidation of an investee's assets and the date when restrictions from redemption will lapse for investments in certain entities that calculate net asset value only if the investee has communicated the timing to the entity or announced the timing publicly; and the measurement uncertainty disclosure.

The following disclosure requirements would be added, but would not be required for private companies: the changes in unrealized gains and losses for the period included in other comprehensive income and earnings (or changes in net assets) for recurring Level

1, Level 2, and Level 3 fair value measurements held at the end of the reporting period, disaggregated by level of the fair value hierarchy; and for Level 3 fair value measurements, the range, weighted average, and time period used to develop significant unobservable inputs.

Effective Date: The FASB will determine the effective date after considering stakeholder feedback on the proposed amendments. The amendments would be applied retrospectively to all periods presented, except for the amendments on (1) changes in unrealized gains and losses and (2) range, weighted average, and time period used to develop Level 3 significant unobservable inputs, which would be required for only the most recent interim or annual period presented in the initial fiscal year of adoption.

Proposed Accounting Standards Update, *Business Combinations (Topic 805): Clarifying the Definition of a Business*

Issued: November 2015

Comment Deadline: January 22, 2016

Summary: The proposed amendments would clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Specifically, the amendments would require that to be considered a business, a set of assets and activities ("a set") must include, at a minimum, an input and a substantive process that together contribute to the ability to create outputs. The amendments would also remove the evaluation of whether a market participant could replace any missing elements, with a framework for performing this evaluation. The amendments would also include a screen that would reduce the number of transactions that need to be evaluated, whereby a set would not be a business when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Lastly, the amendments would narrow the definition of outputs so that the term is consistent with how outputs are described in Topic 606.

Effective Date: The FASB will determine the effective date and whether the proposed amendments may be applied before the effective date after it considers stakeholder feedback on the proposed amendments. The amendments would be applied prospectively to any transaction that occurs on or after the effective date. No disclosures would be required at transition.

Proposed Accounting Standards Update, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*

Issued: November 2015

Comment Deadline: February 10, 2016

Summary: The proposed amendments would require the following disclosures about material existing government assistance agreements for annual reporting periods:

- Information about the nature of the assistance, including a general description of the significant categories and the related accounting policies adopted or the method applied to account for government assistance.
- Which line items on the balance sheet and income statement are affected by government assistance and the amounts applicable to each line item.
- Significant terms and conditions of the agreement, including commitments and contingencies.
- Unless impracticable, the amount of government assistance received but not recognized directly in the financial statements. The amount of government assistance received but not recognized includes value that was received by an entity for which no amount has been recorded directly in any financial statement line item (for example, a benefit of a loan guarantee, a benefit of a below-market rate loan, or a benefit from tax or other expenses that have been abated).

The exposure draft does not propose any new accounting requirements.

Effective Date: The effective date will be determined after the FASB considers stakeholder feedback on the proposed amendments. In the first set of financial statements following the effective date, the amendments would be applied to all

agreements (1) existing at the effective date and (2) entered into after the effective date. Retrospective application would be permitted.

EITF Issues – Consensus-for-Exposure

Status: The EITF reached a consensus-for-exposure on the following Issue in November 2015, with a proposed ASU to follow.

Issue 15-F: Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments

Summary: The EITF is proposing to clarify Topic 230 regarding the classification of items within the statement of cash flows where diversity in practice has been identified. Proposed amendments are expected in early 2016 to address the following:

- Cash payments for debt prepayment or extinguishment costs would be classified as financing activities.
- Upon settlement of zero-coupon bonds, the interest portion of the cash would be classified as an operating activity, and the principal portion of the cash would be classified as a financing activity.
- Cash paid by an acquirer after a business combination for the settlement of a contingent consideration liability would be separated between financing activities and operating activities. Cash payments up to the amount of the contingent consideration liability recognized at the acquisition date would be classified as financing activities; any excess would be classified as operating activities.
- Cash proceeds received from the settlement of insurance claims would be classified on the basis of the related insurance coverage (that is, the nature of the loss).
- Cash proceeds received from the settlement of corporate-owned life insurance policies would be classified as cash inflows from investing activities. Cash payments for premiums on corporate-owned policies may be classified as cash outflows for investing, operating, or a combination of both.
- Distributions received from equity method investees would be presumed to be returns on the investment and classified as operating, unless the investor's cumulative distributions received exceed cumulative equity in earnings recognized by the investor. When such an excess occurs, it is considered a return of the investment and classified as an investing activity.
- A transferor's beneficial interest obtained in a securitization of financial assets would be disclosed as a noncash activity, and cash received from beneficial interests would be classified as an investing activity.
- Additional guidance would clarify when an entity should separate cash receipts and cash payments and classify them into more than one class of cash flows (including when reasonable judgment is required to estimate and allocate cash flows) versus when an entity should classify the aggregate amount into one class of cash flows on the basis of predominance.

OTHER ACTIVITIES

The following section provides high level summaries of other relevant FASB publications and activities.

Private Company Council (PCC) Update

Financial Accounting Foundation (FAF) Updates Procedures of PCC

Summary: The Board of Trustees of the FAF released a report outlining revisions to the operating procedures of the PCC that are intended to improve the group's effectiveness. The updates focus on the manner in which the PCC provides the FASB with private company perspectives on the FASB's active agenda projects, and on how the PCC communicates those perspectives to its stakeholders.

During the fourth quarter, the PCC reach a final consensus affirming its proposed amendments regarding preferability assessment and transition of PCC alternatives. Final guidance is subject to FASB endorsement.

Also during the quarter, the PCC discussed the application of variable interest entities guidance to companies under common control and continued to provide input on several ongoing FASB technical projects.

FASB and IASB Joint Transition Resource Group for Revenue Recognition

Summary: During the quarter, the FASB and the IASB ("Boards") continued to deliberate proposed amendments to the new revenue standard regarding principal versus agent considerations, licenses of intellectual property and identifying performance obligations, and narrow scope improvements and practical expedients. The FASB expects to issue final guidance on each of the issues noted above by early 2016.

Also during the quarter, the TRG members discussed several issues related to the new revenue standard, including: (i) determining whether customer options for additional goods and services should be accounted for as a material right or as a separate contract or part of the accounting contract; (ii) accounting for renewals of time-based licenses and identifying attributes of a single license versus additional licenses; (iii) assessing pre-production activities and accounting for costs in the scope of specific US GAAP guidance; and (iv) the scope of certain gaming activities.

The number and frequency of additional TRG meetings in 2016 will depend on the volume of issues submitted by constituents.

Background: The TRG was established in 2014 to solicit, analyze, and discuss stakeholder issues arising from implementation of the recently issued standard, ASU 2014-09 (Topic 606), Revenue from Contracts with Customers; to inform the FASB and IASB about those implementation issues, which will help the Boards determine what, if any, action will be needed to address those issues; and to provide a forum for stakeholders to learn about the new guidance from others involved with implementation.

For more information, or for resources on the new standard, refer to BDO's **Revenue Recognition Resource Center**. More information may also be found on the FASB **website**.

Update on International Convergence

The FASB and the IASB continue their efforts on their remaining joint projects: financial instruments and leases. Project developments are detailed below by topic. For current status of joint FASB/IASB projects, refer to the FASB's Current Technical Plan and Project Updates and IASB's Work Plan for IFRSs.

Financial Instruments - The FASB and IASB have not reached convergence in the financial instruments project. The IASB completed its project with the issuance of finalized IFRS 9 Financial Instruments in 2014, while the FASB has taken a phased approach, as follows:

> *Classification and Measurement* - During the fourth quarter, the FASB staff worked on drafting the final standard related to classification and measurement, which was subsequently issued as ASU 2016-01 in January 2016. Refer to BDO's Alert for more information.
>
> *Hedging* - During the fourth quarter, the FASB discussed applicability of hedge documentation requirements to private companies, and decided not to provide additional relief to private companies in the upcoming exposure draft, which is expected in the first quarter of 2016.
>
> *Impairment* – During the fourth quarter, the FASB discussed the accounting for purchased financial assets with credit deterioration (PCD assets) and how premiums and discounts should be considered when measuring credit losses. The FASB has also affirmed that its current expected credit loss (CECL) model, which requires entities to recognize currently the full amount of cash flows they do not expect to collect over the instrument's life, will apply to financial assets measured at amortized cost (i.e., loans). Financial guarantee contracts that are not accounted for as insurance or at fair value through net income also will be within the scope of the final standard. However, available-for-sale debt securities will be excluded from the scope of the CECL model. They will continue to be within the scope of the other-than-temporary-impairment (OTTI) guidance in Topic 320, with certain modifications to that guidance, including a change to allow an entity to reverse credit losses. A final standard is expected during the first quarter of 2016.

Leases – During 2013, the FASB and the IASB reproposed the joint leasing standard. The Boards conducted extensive outreach among preparers, investors, analysts, and other stakeholders in the months that followed. The Boards concluded that the benefits of the changes that will result from the final standards justify the related costs of implementing those changes. Although the standards are similar in their main objective of recording leases on a lessee's balance sheet, the Boards arrived at separate conclusions for certain aspects of the lessee and lessor accounting models.

During the fourth quarter, the FASB decided to provide an exception to the lease classification test whereby entities will not consider the lease term criterion when performing the lease classification test for leases that commence "at or near the end" of the underlying asset's economic life (e.g. a lease that commences in the final 25% of an asset's economic life).

The FASB's final leasing standard is expected to be issued in the first quarter of 2016. For public business entities, it will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. For all other entities, it will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.

The IASB issued IFRS 16 Leases in January 2016. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted only if the entity also applies IFRS 15 Revenue from Contracts with Customers at or before the date of early application of IFRS 16.

▶PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)

FINAL AND PROPOSED PCAOB GUIDANCE

All final and proposed PCAOB guidance can be accessed on the **PCAOB website** located under the *Rules of the Board* tab.

Final Rules: Disclosure of the Engagement Partner and Other Accounting Firms Participating in an Audit

Summary: In December 2015, the PCAOB adopted rules requiring disclosure of the name of each audit engagement partner as well as the names of other audit firms that participate in the audit in a new Form AP, *Auditor Reporting of Certain Audit Participants*, for each issuer audit.

For additional information, refer to BDO's Alert.

Effective Date: The rule requiring disclosure of the engagement partner name is effective for reports issued on or after January 31, 2017. The rule requiring disclosure of other audit firms participating in the audit is effective for reports issued on or after June 30, 2017.

OTHER ACTIVITIES

The following section provides high level summaries of other relevant PCAOB publications and activities.

PCAOB Issues Observations on Risk Assessment Auditing Standards

Summary: In October, the PCAOB issued Release 2015-007 summarizing the PCAOB's 2012-2014 audit inspection observations related to PCAOB "Risk Assessment" Auditing Standards No. 8-15. The Release contains common deficiencies noted across audit firms.

Release 2015-007 is available here.

▶SECURITIES AND EXCHANGE COMMISSION (SEC)

FINAL SEC GUIDANCE

All SEC Final Rules can be accessed on the **SEC website** located under the *Regulatory Actions* section, *Final Rules*.

(Note: The following pertains to significant accounting and reporting SEC releases. For a complete listing of SEC rules, please refer to the SEC website.)

FAST Act Amends SEC Reporting Requirements

Issued: December 2015

Summary: On December 4, 2015, the President signed the Fixing America's Surface Transportation (FAST) Act into law. While the Act is focused on providing transportation funding, certain provisions of the Act amend the securities laws. Some of the amendments are self-executing, while others require SEC rulemaking.

The amendments included in Title LXXI of the Act are intended to improve access to capital for emerging growth companies (EGCs) by reducing the number of days an EGC's confidential submissions must be made public before its IPO roadshow, providing a grace period for an EGC that loses EGC status prior to its IPO, and permitting an EGC to omit historical periods from its financial statements if it reasonably expects that such periods will not be included in its effective registration statement.

Other significant changes to securities laws included in the FAST Act require SEC rulemaking or additional analysis.

For additional information, refer to BDO's Alert.

Effective Date: The provisions related to Title LXXI became effective upon issuance on December 4, 2015, except for the provision permitting an EGC to omit historical periods from its financial statements in certain circumstances, which is effective December 28, 2015.

Final Rule, *Crowdfunding*

Issued: October 2015

Release Nos. 33-9974 and 34-76324

Summary: The SEC adopted Regulation Crowdfunding, as mandated by Title III of the Jumpstart Our Business Startups Act ("JOBS Act"). Regulation Crowdfunding prescribes rules governing the offer and sale of securities under new Section 4(a)(6) of the Securities Act of 1933. Section 4(a)(6) exempts from registration under the 1933 Act a securities offering of less than $1 million on an aggregate basis during a 12-month period, provided that the offering is conducted through a broker or funding portal. Regulation Crowdfunding also provides a framework for the regulation of registered funding portals and broker-dealers that issuers are required to use as intermediaries in the offer and sale of securities in reliance on Section 4(a)(6). In addition, Regulation Crowdfunding conditionally exempts securities sold pursuant to Section 4(a)(6) from the registration requirements of Section 12(g) of the Securities Exchange Act of 1934.

Effective Date: The final rules and forms are effective May 16, 2016, except that Form Funding Portal and amendments to Form ID are effective January 29, 2016.

PROPOSED SEC GUIDANCE

All SEC Proposed Rules can be accessed on the **SEC website** located under the *Regulatory Actions* section, *Proposed Rules*.

(Note: The following pertains to significant accounting and reporting SEC releases. For a complete listing of SEC rules, please refer to the SEC website.)

Proposed Rule, *Disclosure of Payments by Resource Extraction Issuers*

Issued: December 2015

Comment Deadline: January 25, 2016

Release No. 34-76620

Summary: The SEC re-proposed Exchange Act Rule 13q-1, which was mandated by Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"). Congress enacted Section 1504 to combat global corruption by promoting international transparency of payments made to governments for the commercial development of oil, natural gas, and minerals. Rule 13q-1 would require resource extraction issuers to disclose information about certain payments made to the United States and foreign governments.

The Commission initially adopted Rule 13q-1 to satisfy the Dodd-Frank Act's statutory mandate in August 2012; however, a federal court vacated the rule in July 2013 following a lawsuit. The current proposal is substantially consistent with the rule adopted in 2012, with certain targeted changes.

For additional information, refer to BDO's Alert.

Effective Date: The effective date will be determined after the SEC considers feedback on the proposed rule.

Proposed Rule, *Exemptions to Facilitate Intrastate and Regional Securities Offerings*

Issued: October 2015

Comment Deadline: January 11, 2016

Release Nos. 33-9973 and 34-76319

Summary: The SEC is proposing amendments to Rule 147 under the Securities Act of 1933, which currently provides a safe harbor for compliance with the Section 3(a)(11) exemption from registration for intrastate securities offerings. The proposal would establish a new exemption to facilitate capital formation, including through offerings relying upon recently adopted intrastate crowdfunding provisions under state securities laws. The proposed amendments to the rule would eliminate the restriction on offers and ease the issuer eligibility requirements, while limiting the availability of the exemption at the federal level to issuers that comply with certain requirements of state securities laws.

Additionally, the SEC is proposing rule amendments to Rule 504 of Regulation D under the Securities Act to facilitate issuers' capital raising efforts and provide additional investor protections. The proposed amendments to Rule 504 would increase the aggregate amount of securities that may be offered and sold in any twelve-month period from $1 million to $5 million and disqualify certain bad actors from participation in Rule 504 offerings.

Effective Date: The effective date will be determined after the SEC considers feedback on the proposed rule.

OTHER ACTIVITIES

The following section provides high level summaries of other relevant SEC publications and activities.

2015 Conference on Current SEC and PCAOB Developments

Summary: The annual AICPA National Conference on Current SEC and PCAOB Developments was held in December 2015 in Washington, DC, where representatives of the SEC and the PCAOB shared their views on various accounting, reporting, and auditing issues. Areas of particular focus included disclosure effectiveness, internal control over financial reporting, transition to the new revenue recognition standard, and the role of audit committees.

For additional information, refer to BDO's Newsletter.

▶INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

FINAL IASB GUIDANCE

All final IASB guidance can be accessed on the **IASB website** located under the *IFRS* tab, *Standards and Interpretations*.

Effective Date of Amendments to IFRS 10 and IAS 28

Issued: December 2015

Summary: The amendment delays the effective date of narrow-scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures issued in 2014. Those narrow-scope amendments affect how an entity should determine any gain or loss it recognizes when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures. A final effective date is yet to be determined by the IASB.

PROPOSED IASB GUIDANCE

The following is a summary of all significant proposed guidance that was issued or was open for comment during the quarter. All proposed IASB guidance can be accessed on the **IASB website** located under the *Get Involved* tab, *Comment on a Proposal*.

Exposure Draft, *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*

Issued: December 2015

Comment Deadline: February 8, 2016

Summary: The proposed amendments would address the temporary consequences of the different effective dates of IFRS 9 Financial Instruments and the new insurance contracts standard.

IFRS 9 Financial Instruments and the new insurance contracts standard are relevant to companies that issue insurance contracts. Some of those companies have expressed concerns about the need to implement two significant changes in accounting on different dates (the effective date of IFRS 9 is January 1, 2018 and the new insurance contracts standard, which will replace IFRS 4, will be effective later). They have also highlighted that potential increased accounting volatility could arise in profit or loss if the new requirements for financial instruments were to be applied before the new requirements for insurance contracts.

The IASB's Board has proposed the following amendments to IFRS 4 Insurance Contracts in order to address these temporary issues:

- Overlay approach: an option for a company that issues insurance contracts to remove from profit or loss the incremental volatility in profit or loss caused by changes in the measurement of financial assets upon application of IFRS 9. This approach would be in place until the new Insurance Contracts Standard becomes effective.

- Deferral approach: an optional temporary exemption from applying IFRS 9 Financial Instruments that would be available to companies whose predominant activity is to issue insurance contracts. Such a deferral would be available until the new Insurance Contracts Standard becomes effective (but it could not be used after January 1, 2021).

Exposure Draft, *Transfers of Investment Property (Proposed amendment to IAS 40)*

Issued: November 2015

Comment Deadline: March 18, 2016

Summary: The proposed amendments would introduce narrow-scope changes to clarify the guidance on transfers to, or from, investment properties.

Exposure Draft, *Annual Improvements to IFRSs 2014-2016 Cycle*

Issued: November 2015

Comment Deadline: February 17, 2016

Summary: The proposed amendments include the following improvements:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – the amendments would delete short-term exemptions for first-time adopters.

- IFRS 12 Disclosure of Interests in Other Entities – the amendments would clarify the scope of the disclosure requirements.

- IAS 28 Investments in Associates and Joint Ventures – When an investment in an associate or a joint venture is held by an entity that is a venture capital organization, or other qualifying entity, it may elect to measure that investment at fair value through profit or loss. The amendments would clarify that the election is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

For additional information, refer to BDO's IFR Bulletin.

Exposure Draft IFRS Practice Statement, *Application of Materiality to Financial Statements*

Issued: October 2015

Comment Deadline: February 26, 2016

Summary: The proposed Practice Statement would provide guidance to assist management in applying the concept of materiality to general purpose financial statements prepared in accordance with IFRS. A Practice Statement is not authoritative guidance and its application is not required in order to state compliance with IFRS.

For additional information, refer to BDO's IFR Bulletin.

Draft Interpretation (IFRS Interpretations Committee), *Foreign Currency Transactions and Advance Consideration*

Issued: October 2015

Comment Deadline: January 19, 2016

Summary: IAS 21 The Effects of Changes in Foreign Exchange Rates sets out requirements about which exchange rate to use when recording a foreign currency transaction on initial recognition in the entity's functional currency. However, the Interpretations Committee observed diversity in practice in circumstances in which consideration was received or paid in advance of the recognition of the related asset, expense or income. Consequently, the Interpretations Committee proposes an Interpretation to provide guidance in these specific circumstances.

Draft Interpretation (IFRS Interpretations Committee), *Uncertainty over Income Tax Treatments*

Issued: October 2015

Comment Deadline: January 19, 2016

Summary: IAS 12 Income Taxes provides requirements on the recognition and measurement of current or deferred tax liabilities or assets, but does not provide specific guidance for how uncertainty about a tax treatment should be reflected in the accounting for income tax. Consequently, the Interpretations Committee proposes an Interpretation to provide that guidance.

EFFECTIVE DATES OF U.S. ACCOUNTING PRONOUNCEMENTS

This appendix was prepared with a calendar year-end company in mind. Therefore standards with an effective date in 2014 have been included since many companies applied them for the first time in 2015, e.g., the first interim or annual period beginning on or after December 15, 2014. Standards that do not require adoption before 2016 are highlighted in gray. The final amendments to the FASB Codification resulting from EITF Issues No. 15-B, 15-D and 15-E were not available before the quarterly Significant Accounting & Reporting Matters document was published. The effective date(s) indicated above (see "Final FASB Guidance") are based on our observation of the public meeting.

Also, refer to BDO's publication summarizing effective dates of IFRS pronouncements.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 205, Presentation of Financial Statements		
ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*	Effective for all entities, unless they have adopted the liquidation basis of accounting under Subtopic 205-30. The new standard applies prospectively to annual periods ending after December 15, 2016, and to annual and interim periods thereafter. Early adoption is permitted.	Effective for all entities, unless they have adopted the liquidation basis of accounting under Subtopic 205-30. The new standard applies prospectively to annual periods ending after December 15, 2016, and to annual and interim periods thereafter. Early adoption is permitted.
ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*	Effective for annual periods beginning on or after December 15, 2014, and interim periods within those years. Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.	Effective for annual periods beginning on or after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015. Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.
ASC 225, Income Statement		
ASU 2015-01, *Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items*	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015.	Effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE – NON PUBLIC
ASC 260, Earnings Per Share		
ASU 2015-06, *Effects on Historical Earnings per Unit of Master Limited Partnership Dropdown Transactions (a consensus of the Emerging Issues Task Force)*	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.
ASC 310, Troubled Debt Restructuring by Creditors		
ASU 2014-14, *Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure*	Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. Early adoption is permitted, if the entity has already adopted ASU 2014-04.	Effective for annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Early adoption is permitted, if the entity has already adopted ASU 2014-04.
ASU 2014-04, *Reclassification of Residential Real Estate collateralized consumer Mortgage Loans upon Foreclosure (a consensus of the FASB Emerging Issues Task Force)*	Effective for annual periods and interim periods within those annual periods, beginning after December 15, 2014. Early adoption is permitted. An entity can elect to adopt the amendments in this update using either a modified retrospective transition method or a prospective transition method.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. An entity can elect to adopt the amendments in this update using either a modified retrospective transition method or a prospective transition method.
ASC 323, Investments – Equity Method and Joint Ventures		
ASU 2014-01, *Accounting for Investments in Qualified Affordable Housing Projects (a consensus of the FASB Emerging Issues Task Force)*	Effective for annual periods and interim reporting periods within those annual periods, beginning after December 15, 2014. Early adoption is permitted. If adopted, the amendments in this Update should be applied retrospectively to all periods presented. A reporting entity that uses the effective yield method to account for its investments in qualified affordable housing projects before the date of adoption may continue to apply the effective yield method for those preexisting investments.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual reporting periods beginning after December 15, 2015. Early adoption is permitted. If adopted, the amendments in this Update should be applied retrospectively to all periods presented. A reporting entity that uses the effective yield method to account for its investments in qualified affordable housing projects before the date of adoption may continue to apply the effective yield method for those preexisting investments.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 330, Inventory		
ASU 2015-11, *Simplifying the Measurement of Inventory*	Effective prospectively for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted as of the beginning of an interim or annual reporting period. If an entity has previously written down inventory (within the scope of the ASU) below its cost, that reduced amount is considered the cost upon adoption. Upon adoption, the change from the lower of cost or market to the lower of cost and net realizable value for inventory within the scope of the ASU will be accounted for as a change in accounting principle	Effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted as of the beginning of an interim or annual reporting period. If an entity has previously written down inventory (within the scope of the ASU) below its cost, that reduced amount is considered the cost upon adoption. Upon adoption, the change from the lower of cost or market to the lower of cost and net realizable value for inventory within the scope of the ASU will be accounted for as a change in accounting principle
ASC 350, Intangibles—Goodwill and Other		
ASU 2015-05, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*	Effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted. An entity can elect to adopt the amendments either (1) prospectively to all arrangements entered into or materially modified after the effective date or (2) retrospectively.	Effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted. An entity can elect to adopt the amendments either (1) prospectively to all arrangements entered into or materially modified after the effective date or (2) retrospectively.
ASU 2014-02, *Accounting for Goodwill (a consensus of the Private Company Council)*	Not applicable to public entities.	The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and new goodwill recognized in annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity's annual or interim financial statements have not yet been made available for issuance.
ASC 360, Property, Plant, and Equipment		
ASU 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*	Effective for annual periods beginning on or after December 15, 2014, and interim periods within those years. Entities should not apply the amendments to a component of an entity (or a business or nonprofit activity) that is classified as held for sale before the effective date even if	Effective for annual periods beginning on or after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015. Entities should not apply the amendments to a component of an entity (or a business or nonprofit

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
	it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.	activity) that is classified as held for sale before the effective date even if it is disposed of after the effective date. That is, the ASU must be adopted prospectively. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been previously reported in the financial statements.
ASC 405, Liabilities		
ASU 2013-04, *Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date (a consensus of the FASB Emerging Issues Task Force)*	Effective for fiscal years, and interim periods within those years, beginning after December 31, 2013. Early adoption is permitted. Retrospective application is required for all periods presented. Entities are permitted to use hindsight when determining the appropriate amount to be recorded in prior periods.	Effective for fiscal years ending after December 31, 2014 and interim and annual periods thereafter. Early adoption is permitted. Retrospective application is required for all periods presented. Entities are permitted to use hindsight when determining the appropriate amount to be recorded in prior periods.
ASC 606, Revenue		
ASU 2014-09 *Revenue from Contracts with Customers* **ASU 2015-14** *Revenue from Contracts with Customers: Deferral of the Effective Date*	Effective for annual periods beginning after December 15, 2017, including interim periods therein. Entities may adopt using a retrospective approach (with certain optional practical expedients) or a cumulative effect approach. Under the this alternative, an entity would apply the new revenue standard only to contracts that are incomplete under legacy U.S. GAAP at the date of initial application (e.g. January 1, 2018) and recognize the cumulative effect of the new standard as an adjustment to the opening balance of retained earnings. That is, prior years would not be restated and additional disclosures would be required to enable users of the financial statements to understand the impact of adopting the new standard in the current year compared to prior years that are presented under legacy U.S. GAAP. Early adoption is permitted only as of annual reporting periods beginning after December 15, 2016, including interim periods within that year.	Effective for annual periods beginning after December 15, 2018. In addition, the new standard is effective for interim periods within annual periods that begin after December 15, 2019. The same transition alternatives apply. Early adoption is permitted as of either: • An annual reporting period beginning after December 15, 2016, including interim periods within that year, or • An annual reporting period beginning after December 15, 2016 and interim periods within annual reporting periods beginning one year after the annual period in which the entity first applies the new standard.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 715, Compensation—Retirement Benefits		
ASU 2015-04, *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets*	Effective prospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective prospectively for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted.
ASC 718, Compensation—Stock Compensation		
ASU 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force)*	Effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost.	Effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost.
ASC 740, Income Taxes		
ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*	Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted as of the beginning of any interim or annual reporting period.	Effective for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted as of the beginning of any interim or annual reporting period.
ASU 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force)*	Effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. Early adoption is permitted.	Effective for fiscal years and interim periods within those years, beginning after December 15, 2014. Early adoption is permitted.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 805, Business Combinations		
ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments*	Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted.	Effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted.
ASU 2015-08, *Pushdown Accounting—Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115 (SEC Update)*	SAB 115 became effective November 21, 2014.	Not applicable to private entities.
ASU 2014-18, *Accounting for Identifiable Intangible Assets in a Business Combination (a consensus of the Private Company Council)*	Not applicable to public entities.	If elected, the accounting alternative should be applied to eligible transactions in fiscal years beginning after December 15, 2015. Specifically, if the first eligible transaction occurs in the first fiscal year beginning after December 15, 2015, the elective adoption will be effective for that fiscal year's annual financial reporting and all interim and annual periods thereafter. If the first eligible transaction occurs in fiscal years beginning after December 15, 2016, the elective adoption will be effective in the interim period that includes the date of that first in-scope transaction and subsequent interim and annual periods thereafter. Early application is permitted for any interim and annual financial statements that have not yet been made available for issuance.
ASU 2014-17, *Pushdown Accounting (a consensus of the FASB Emerging Issues Task Force)*	Effective on November 18, 2014. After the effective date, an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event.	Effective on November 18, 2014. After the effective date, an acquired entity can make an election to apply the guidance to future change-in-control events or to its most recent change-in-control event.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 810, Consolidation		
ASU 2015-02, *Amendments to the Consolidation Analysis*	Effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015.	Effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017.
ASU 2014-13, *Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity*	Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted as of the beginning of an annual period. Entities may adopt using either a full or modified retrospective approach. The modified approach only impacts the annual period of adoption by recording a cumulative-effect adjustment to equity.	Effective for annual periods beginning after December 15, 2016, and interim and annual periods thereafter. Early adoption is permitted as of the beginning of an annual period. Entities may adopt using either a full or modified retrospective approach. The modified approach only impacts the annual period of adoption by recording a cumulative-effect adjustment to equity.
ASU 2014-07 *Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements (a consensus of the Private Company Council)*	Not applicable to public entities.	If elected, the accounting alternative is effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity's annual or interim financial statements have not yet been made available for issuance. The accounting alternative should be applied retrospectively to all periods presented. Prospective adoption is not permitted.
ASC 815, Derivatives and Hedging		
ASU 2015-13, *Application of the Normal Purchases and Normal Sales Exception to Certain Electricity Contracts within Nodal Energy Markets*	Effective upon issuance and should be applied prospectively. An entity will have the ability to designate qualifying contracts that are entered into on or after the effective date of the ASU as normal purchases and normal sales ("NPNS"). Because an entity may elect the NPNS scope exception at contract inception or at a later date, it also will be able to designate qualifying contracts entered into before the effective date as NPNS, but only prospectively.	Effective upon issuance and should be applied prospectively. An entity will have the ability to designate qualifying contracts that are entered into on or after the effective date of the ASU as normal purchases and normal sales ("NPNS"). Because an entity may elect the NPNS scope exception at contract inception or at a later date, it also will be able to designate qualifying contracts entered into before the effective date as NPNS, but only prospectively.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASU 2014-16, *Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity (a consensus of the FASB Emerging Issues Task Force)*	Effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015.	Effective for annual periods beginning after December 15, 2015, and interim periods within annual periods beginning after December 15, 2016.
ASU 2014-03 *Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps – Simplified Hedge Accounting Approach (a consensus of the Private Company Council)*	Not applicable to public entities.	If elected, the simplified hedge accounting approach will be effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted, and private companies are able (but not required) to adopt the new standards for December 31, 2013 year-end financial statements that are not yet available for issuance. Private companies have the option to apply the amendments in this Update using either a modified or full retrospective approach.
ASC 820, Fair Value Measurement		
ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent) (a consensus of the Emerging Issues Task Force)*	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective retrospectively for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted.
ASC 830, Foreign Currency Matters		
ASU 2013-05, *Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (a consensus of the FASB Emerging Issues Task Force)*	Effective prospectively for all entities with derecognition events after the effective date. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 31, 2013. Early adoption is permitted. If early adoption is elected, the guidance should be applied as of the beginning of the entity's fiscal year of adoption.	Effective prospectively for all entities with derecognition events after the effective date. The guidance is effective for fiscal years beginning after December 31, 2014 and interim and annual periods thereafter. Early adoption is permitted. If early adoption is elected, the guidance should be applied as of the beginning of the entity's fiscal year of adoption.
ASC 835, Interest		
ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements (Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting)*	Effective upon issuance.	Effective upon issuance.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted.	Effective retrospectively for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption is permitted.
ASC 853, Service Concession Arrangements		
ASU 2014-05, *Service concession Arrangements (a consensus of the FASB Emerging Issues Task Force)*	Effective for annual periods and interim periods within those annual periods beginning after December 15, 2014. Early adoption is permitted. The amendments should be applied on a modified retrospective basis, to all arrangements existing at the beginning of the fiscal year of adoption and to all arrangements entered into after that date.	Effective for annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Early adoption is permitted. The amendments should be applied on a modified retrospective basis, to all arrangements existing at the beginning of the fiscal year of adoption and to all arrangements entered into after that date.
ASC 860, Transfers and Servicing		
ASU 2014-11, *Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures*	The accounting changes and disclosure for certain transactions accounted for as a sale are effective for the first period (interim or annual) beginning after December 15, 2014. Earlier application for a public business entity is prohibited. The disclosure for transactions accounted for as secured borrowings is required for annual periods beginning after December 15, 2014, and for interim periods after March 15, 2015.	The accounting changes and both new disclosures are effective for annual periods beginning after December 15, 2014 and interim periods after December 15, 2015. These entities may elect early application and apply the requirements for interim periods beginning after December 15, 2014.
ASC 915, Development Stage Entities		
ASU 2014-10, *Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation*	**DSE requirements** – Effective for annual reporting periods beginning after December 15, 2014 and interim periods therein. While the elimination of the DSE financial reporting requirements applies retrospectively, the new disclosures about related risks and uncertainties are required prospectively. Early adoption is permitted for financial statements that have not yet been issued or made available for issuance. **Consolidation update** - Effective for annual reporting periods beginning after December 15, 2015 and interim periods therein.	**DSE requirements** – Effective for annual reporting periods beginning after December 15, 2014, and interim periods beginning after December 15, 2015. While the elimination of the DSE financial reporting requirements applies retrospectively, the new disclosures about related risks and uncertainties are required prospectively. Early adoption is permitted for financial statements that have not yet been issued or made available for issuance. **Consolidation update** - Effective for annual reporting periods beginning after December 15, 2016 and interim reporting periods beginning after December 15, 2017.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
	The amendments apply retrospectively and also generally incorporate the transition provisions of Statement 167 to address situations in which it may not be practicable to obtain the necessary information for prior years. Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.	The amendments apply retrospectively and also generally incorporate the transition provisions of Statement 167 to address situations in which it may not be practicable to obtain the necessary information for prior years. Early adoption is permitted for financial statements that have not yet been issued or made available for issuance.
ASC 944, Financial Services—Insurance		
ASU 2015-09, *Disclosures about Short-Duration Contracts*	Effective for annual reporting periods beginning after December 15, 2015 and interim reporting periods within annual periods beginning after December 15, 2016. Early adoption is permitted.	Effective for annual reporting periods beginning after December 15, 2016 and interim reporting periods within annual periods beginning after December 15, 2017. Early adoption is permitted.
ASC 958, Not-for-Profit Entities		
ASU 2013-06, *Services Received from Personnel of an Affiliate*	Not applicable to public entities.	Effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient not-for-profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date of adoption should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. Early adoption is permitted.
ASC 960, Defined Benefit Pension Plans		
ASU 2015-12, *(Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all parts individually or in the aggregate. Part II of the ASU should be applied retrospectively, while Part III should be applied prospectively.	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all parts individually or in the aggregate. Part II of the ASU should be applied retrospectively, while Part III should be applied prospectively.

PRONOUNCEMENT	EFFECTIVE DATE - PUBLIC	EFFECTIVE DATE - NON PUBLIC
ASC 962, Defined Contribution Pension Plans		
ASU 2015-12, *(Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.
ASC 962, Health and Welfare Benefit Plans		
ASU 2015-12, *(Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.	Effective for fiscal years beginning after December 15, 2015. Early adoption is permitted for all three parts individually or in the aggregate. Parts I and II of the ASU should be applied retrospectively, while Part III should be applied prospectively.
Other		
ASU 2015-10, *Technical Corrections and Improvements*	Transition guidance varies based on the individual amendments. The amendments that require transition guidance are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. All other amendments became effective upon issuance.	Transition guidance varies based on the individual amendments. The amendments that require transition guidance are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. All other amendments became effective upon issuance.

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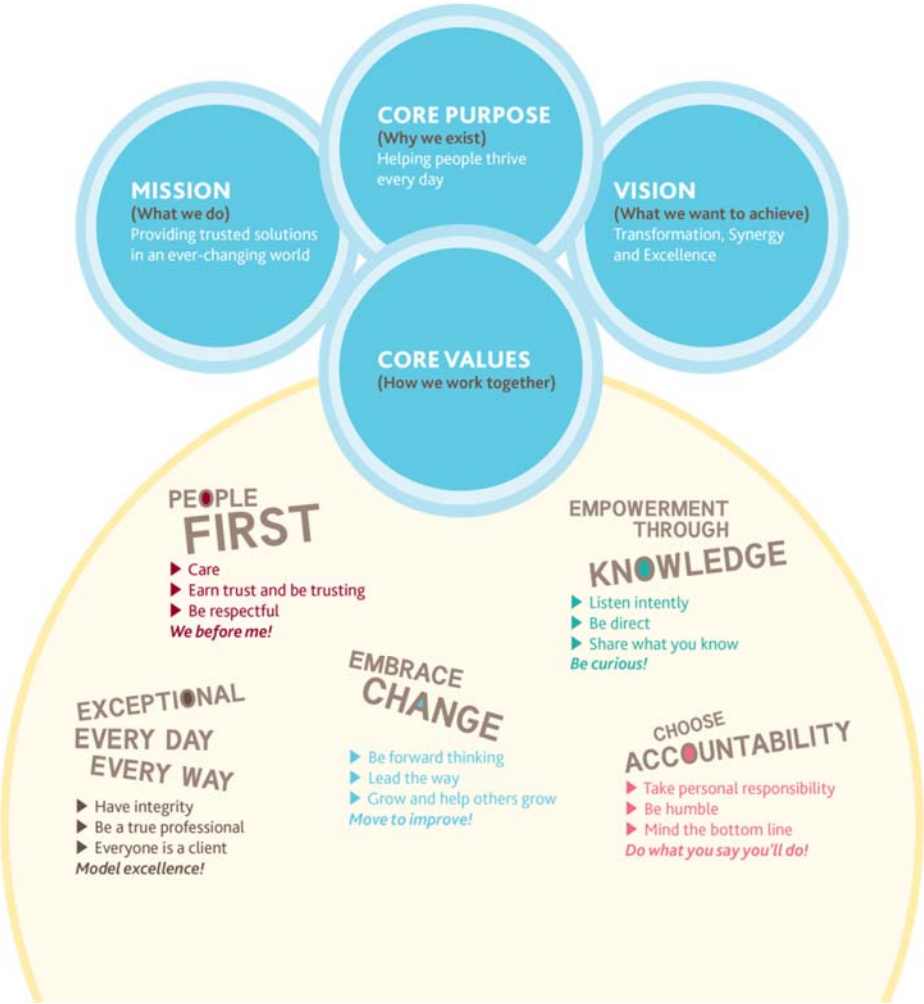
BDO's culture and values establish a set of standards embodied by our work, our relationships and our professionals. We are guided by our core values: put people first; be exceptional every day, every way; embrace change; empowerment through knowledge; and choose accountability.



The firm serves clients through more than 60 offices and over 450 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multinational clients through a global network of 1,400+ offices in over 150 countries.

63
BDO USA Offices*

446
Total Partners*

5,383
Total personnel*

450+
BDO Alliance USA independent Alliance firm locations*

$1.05 billion
Total combined fee income as of and for the year ended 6-30-15.

BDO's strength is derived from our structure as a cohesive global network and dedication to internal integration and seamless client service - when and where our clients need us. In each country, BDO Member Firms are comprised of people who are knowledgeable about national laws, business customs, and local and international business methods. As our clients expand globally, their access to our international network can help them better reach their business and financial goals.

BDO GLOBAL NETWORK Statistics

(Financial and personnel stats as of and for the year ended 9-30-14; location stats as of 1-1-15).

5th
BDO is the world's 5th largest accountancy network

154
Countries within our global reach

1,408
Offices worldwide*

$7.3bn
Total combined fee income*

64,303
Total personnel around the globe

** Including exclusive alliances of BDO Member Firms*

BDO Programming and Insights

BDO commits significant resources to keep our professionals and our clients up to date on current and evolving technical, governance, industry, and reporting developments. Our thought leadership consists of quarterly email updates, publications, surveys, practice aids, and tools that span a broad spectrum of topics that impact financial reporting, as well as corporate governance. Our focus is not simply to announce changes in technical guidance, regulations or emerging business trends, but rather expound on how such changes may impact our clients' businesses.

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- Healthcare
- Insurance
- Manufacturing & Distribution
- Natural Resources
- Nonprofit & Education
- Private Equity
- Public Sector
- Real Estate & Construction
- Restaurants
- Technology & Life Sciences