

New Accounting Standards Upcoming Effective Dates for Public and Private Companies

December 2023

IBDO[®]

This publication summarizes the new accounting standards with mandatory¹ effective dates in the first quarter of 2024 for public entities, as well as new standards that take effect in annual 2023 financial statements for nonpublic entities. Those effective dates reflect the deferral of certain major standards provided in ASU 2019-10. We have also included links to BDO's guidance on each pronouncement as applicable.

In the next filing season, calendar year-end public entities will prepare their annual 2023 financial statements, followed closely by their March 31, 2024, first quarter reports. Under SAB 74, entities will disclose in their 2023 annual filings the expected impact of adopting the FASB's new standards on their financial statements. Standards issued after this publication's date are unlikely to affect first-quarter financial statements, but entities consider them in preparing SAB 74 disclosures. For many public entities, the most significant first quarter change will be adoption of recent changes to equity securities subject to contractual sale restrictions.²

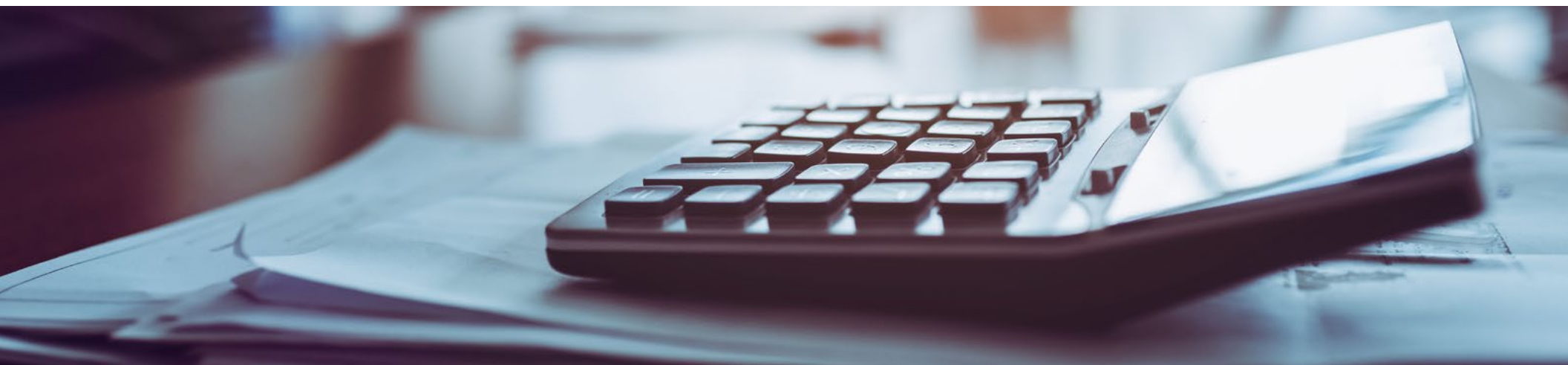
On a similar timeline, calendar year-end nonpublic entities will prepare their annual 2023 financial statements reflecting standards that took effect in 2023. Nonpublic entities that report on a calendar year adopt the credit losses³ standard effective January 1, 2023, for a calendar year-end reporting date as of December 31, 2023.

Early adoption is generally permitted for all standards summarized herein, but each ASU has specific transition guidance, and early adoption may have been limited to certain periods or circumstances. Please refer to BDO's bulletins for more information.

¹ Standards that become effective later but that can be early adopted currently are excluded.

² ASU 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*

³ ASC 326, *Measurement of Credit Losses on Financial Instruments, and related amendments*



ACCOUNTING STANDARDS UPDATES EFFECTIVE FOR CALENDAR-YEAR PUBLIC ENTITIES AS OF JANUARY 1, 2024

PRONOUNCEMENT	EFFECTIVE DATE	BDO BULLETIN
ASC 323, Equity Method and Joint Ventures		
ASU 2023-02 , <i>Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method</i>	Effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	ASU 2023-02 Bulletin
ASC 405-50, Liabilities Supplier Finance Programs		
ASU 2022-04 , <i>Disclosure of Supplier Finance Program Obligations</i>	Amendment requiring rollforward information is effective for fiscal years beginning after December 15, 2023. All remaining amendments in this ASU should already be in effect.	ASU 2022-04 Bulletin
ASC 820, Fair Value Measurement		
ASU 2022-03 , <i>Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i>	Effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	ASU 2022-03 Bulletin
ASC 842, Leases		
ASU 2023-01 , <i>Common Control Arrangements</i>	Effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years.	ASU 2023-01 Bulletin
ASC 470-20, Debt with Conversion and Other Options ASC 815-40, Derivatives and Hedging-Contracts in Entity's Own Equity		
ASU 2020-06 , <i>Accounting for Convertible Instruments and Contracts in an Entity's Own Equity</i>	This ASU should already be in effect for SEC filers excluding smaller reporting companies . For SEC filers classified as smaller reporting companies, the ASU is effective for fiscal years starting after December 15, 2023, including interim periods within those fiscal years.	ASU 2020-06 Bulletin Understanding Complex Financial Instruments

ACCOUNTING STANDARDS UPDATES EFFECTIVE FOR CALENDAR-YEAR NONPUBLIC ENTITIES AS OF JANUARY 1, 2023

PRONOUNCEMENT	EFFECTIVE DATE	BDO BULLETIN
ASC 326, Financial Instruments-Credit Losses		
▶ ASU 2016-13 , <i>Measurement of Credit Losses on Financial Instruments</i>	For non-SEC filers, the standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.	BDO-Knows-CECL
▶ ASU 2018-19 , <i>Measurement of Credit Losses on Financial Instruments</i>	The amendments in this ASU must be adopted concurrently with ASU 2016-13.	FASB Updates Its Recent Credit Loss Standard
▶ ASU 2019-04 , <i>Codification Improvements</i>	The amendments for Topics 1, 2, and 5 in this ASU must be adopted concurrently with ASU 2016-13	FASB Issues Transition Relief for Credit Losses Standard
▶ ASU 2019-05 , <i>Targeted Transition Relief</i>	The amendments in this ASU must be adopted concurrently with ASU 2016-13	FASB Issues Improvements for Credit Losses Standard
▶ ASU 2019-10 , <i>Effective Dates</i>	The amendments in this ASU must be adopted concurrently with ASU 2016-13	FASB Issues Improvements for Credit Losses Standard
▶ ASU 2019-11 , <i>Codification Improvements to Topic 326, Financial Instruments-Credit Losses</i>	The amendments for Topics 6 and 7 in this ASU must be adopted concurrently with ASU 2016-13. All remaining amendments for this ASU should already be in effect.	Troubled Debt Restructurings for Creditors and Vintage Disclosures
▶ ASU 2020-03 , <i>Codification Improvements to Financial Instruments</i>	The amendments in this ASU must be adopted concurrently with ASU 2016-13	
▶ ASU 2022-02 , <i>Troubled Debt Restructurings and Vintage Disclosures</i>	The amendments in this ASU must be adopted concurrently with ASU 2016-13	
ASC 405-50, Liabilities Supplier Finance Programs		
ASU 2022-04 , <i>Disclosure of Supplier Finance Program Obligations</i>	Effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the amendment requiring rollforward information, which is effective for fiscal years beginning after December 15, 2023.	ASU 2022-04 Bulletin

CONTACTS:

ADAM BROWN

Assurance Managing Principal, Accounting
214-665-0673 / abrown@bdo.com

ANGELA NEWELL

Professional Practice Principal, Accounting
214-689-5669 / ajnewell@bdo.com

BOBBI GWINN

Professional Practice Director, Accounting
214-665-0749 / bgwinn@bdo.com

BRAD BIRD

National Technical Principal, Industry
858-401-8329 / bbird@bdo.com

DALE THOMPSON

National Technical Principal, Industry
212-885-7318 / dthompson@bdo.com

DANIEL NEWTON

Tax Principal
617-239-7026 / dnewton@bdo.com

JIN KOO

Professional Practice Principal, Accounting
214-243-2941 / jkoo@bdo.com

JON LINVILLE

Professional Practice Principal, Accounting
214-243-2940 / jlinville@bdo.com

MEREDITH TAYLOR

Professional Practice Principal, Accounting
517-461-6744 / mtaylor@bdo.com

ROSCELLE HOLGADO

Professional Practice Principal, Accounting
312-233-1825 / rholgado@bdo.com

STEPHANIE BINFORD

Professional Practice Senior Manager, Accounting
513-592-2414 / sbinford@bdo.com

STEVE MANIACI

Tax Principal
616-802-3508 / smaniaci@bdo.com

THOMAS FAAS

Managing Director, Core Tax Services
404-942-2920 / tfaas@bdo.com

THOMAS FAINETEAU

Professional Practice Principal, Accounting
214-243-2924 / tfaineteau@bdo.com

TIM KVIZ

Managing Principal, SEC Services
214-243-2924 / tkviz@bdo.com

At BDO, our purpose is helping people thrive, every day. Together, we are focused on delivering exceptional and sustainable outcomes — for our people, our clients and our communities. Across the U.S., and in over 160 countries through our global organization, BDO professionals provide assurance, tax and advisory services for a diverse range of clients.

BDO is the brand name for the BDO network and for each of the BDO Member Firms. BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms: www.bdo.com

Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your needs.

© 2023 BDO USA, P.C. All rights reserved.