

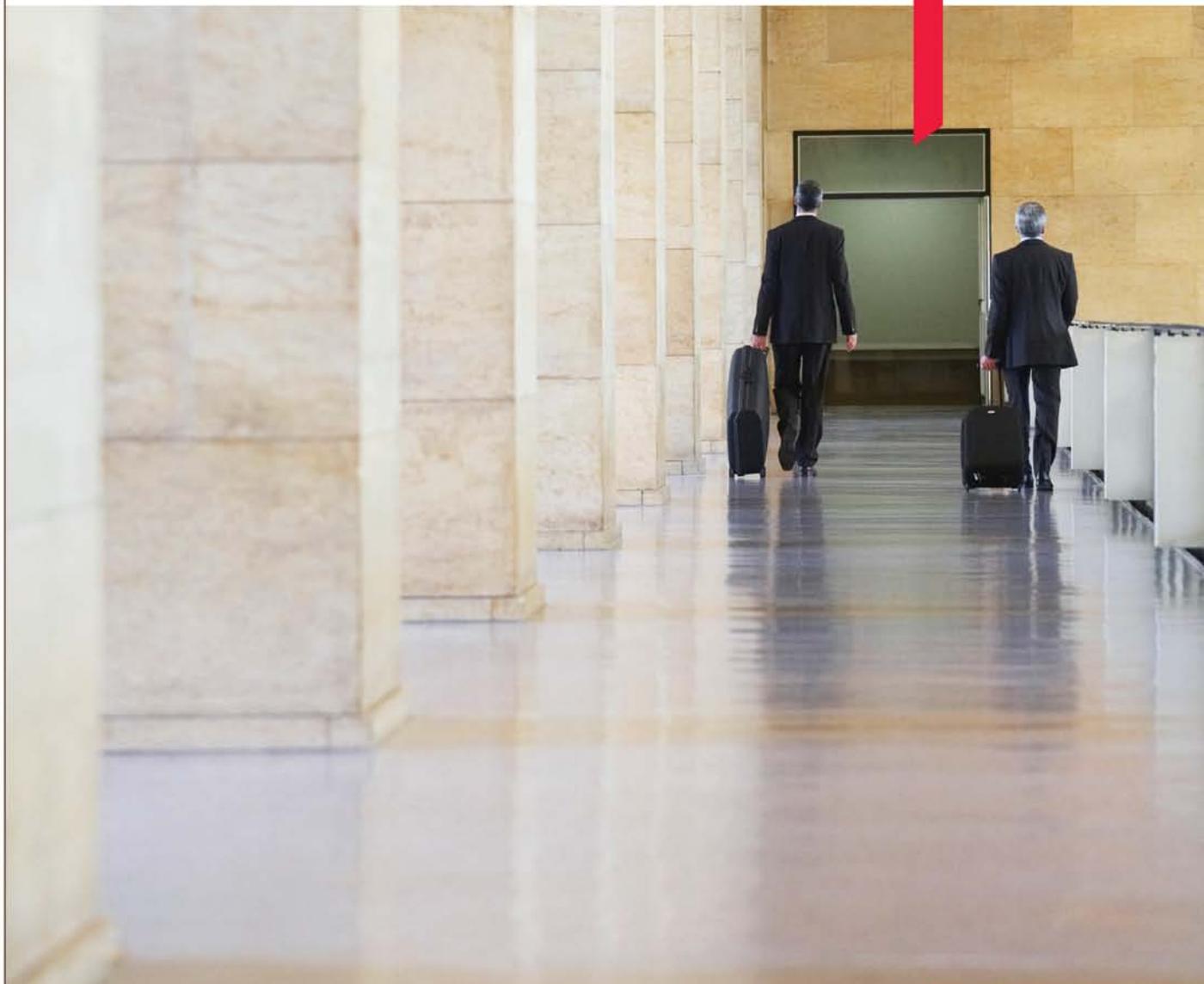
FIRST QUARTER 2012

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AN OFFERING FROM BDO'S NATIONAL ASSURANCE PRACTICE

SIGNIFICANT ACCOUNTING & REPORTING MATTERS



BDO

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▶ FINANCIAL ACCOUNTING STANDARDS BOARD (FASB)

FINAL FASB GUIDANCE

All final FASB guidance can be accessed on the FASB website at <http://www.fasb.org/home> located under the *Standards* tab, *Accounting Standards Updates*.

As of the date of this publication, the FASB had not issued any final guidance for the first quarter.

PROPOSED FASB GUIDANCE

The following is a summary of all proposed guidance that was issued or remained open for comment during the quarter. All proposed FASB guidance can be accessed on the FASB website at <http://www.fasb.org/home> located under the *Exposure Documents* tab.

Proposed Accounting Standards Update – *Intangibles—Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment*

Issued: January 25, 2012

Comment Deadline: April 24, 2012

Summary: The amendments in this proposed Update would provide an entity the option to first assess qualitative factors to determine whether the existence of events or circumstances indicates that it is more likely than not that an indefinite-lived intangible asset is impaired. If, after assessing the totality of events or circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity would not be required to take further action. However, if an entity concludes otherwise, then it would be required to determine the fair value of the indefinite-lived intangible asset and compare the fair value with the carrying amount, as is currently required by Accounting Standards Codification (ASC) Subtopic 350-30.

An entity also would have the option to bypass the qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to calculating its fair value. An entity would be able to resume performing the qualitative assessment in any subsequent period.

In conducting a qualitative assessment, an entity would consider the extent to which relevant events and circumstances, both individually and in the aggregate, could have affected the significant inputs used in determining the fair value of the indefinite-lived intangible asset since the last assessment. An entity would also consider whether there have been changes to the carrying amount of the indefinite-lived intangible asset when evaluating whether it is more likely than not that the indefinite-lived

intangible asset is impaired. Also, an entity would consider positive and mitigating events and circumstances that may affect its determination of whether it is more likely than not that the indefinite-lived intangible asset is impaired. An entity would refer to the examples in paragraph 350-20-35-3(a) through (e) for guidance about the types of events and circumstances that it should consider in evaluating whether it is more likely than not that an indefinite-lived intangible asset is impaired. If an entity has made a recent fair value calculation for an indefinite-lived intangible asset, it also should include as a factor in its consideration the difference between that fair value and the current carrying amount in reaching its conclusion about whether it is more likely than not that the indefinite-lived intangible asset is impaired.

For additional information, refer to BDO's Flash Report on the exposure draft, accessible at:

<http://www.bdo.com/download/1951>.

Effective Date: The amendments in this proposed Update would be effective for annual and interim impairment tests performed for fiscal years beginning after June 15, 2012, for both public and nonpublic entities. Early adoption would be permitted, including for annual and interim impairment tests performed as of a date before the issuance of the final Accounting Standards Update, if a public entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance.

OTHER ACTIVITIES

The following section provides high level summaries of other relevant FASB publications and activities, with particular focus on the recent developments and prioritization of the FASB and IASB's joint efforts to work towards convergence of U.S. GAAP and IFRS.

Update on International Convergence

The FASB and the IASB continue their efforts on a number of joint projects, including revenue recognition, financial instruments, leases, and other topics. FASB Chairman Leslie F. Seidman delivered a live webcast, *2012 Chairman's Outlook on the FASB*, on March 12, 2012 in which she addressed these and other topics. The archived webcast can be accessed at:

<http://www.accountingfoundation.org/cs/ContentServer?site=Foundation&c=Page&pagename=Foundation%2FPage%2FFAFSectionPage&cid=1176157934035>.

The Boards together will host a series of outreach meetings in April and May 2012 on their revised joint proposals for the recognition of revenue that were published in November 2011. For additional information, refer to:

- BDO's Flash Report: *FASB Issues Revised Exposure Draft on Revenue from Contracts with Customers* (<http://www.bdo.com/download/1899>)
- BDO's comment letter on the exposure draft (<http://www.bdo.com/download/1993>)

The Boards plan to deliberate certain issues relevant to the financial instruments project separately and then meet subsequently to reconcile differences in their technical decisions. The FASB expects to release proposals on liquidity and interest rate disclosures in the second quarter of 2012, and on impairment and classification and measurement during the second half of 2012.

The Boards have been redeliberating the proposed Update, *Leases (Topic 840)*, which was originally issued as a joint exposure draft in August 2010. The Boards have made numerous decisions based in part on feedback from several hundred comment letters received, input from various general and targeted outreach programs, and other avenues. The Boards have now pushed back the expected timing for a revised proposal to late 2012, with the intent of issuing converged standards during 2013.

For current status of joint FASB/IASB projects, refer to the FASB's Current Technical Plan and Project Updates page at: <http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1218220137074>.

Update on Standard Setting for Private Companies

Summary of Current Developments: In the *2012 Chairman's Outlook on the FASB* webcast hosted in March (see "Update on International Convergence," above), FASB Chairman Seidman indicated that Financial Accounting Foundation (FAF) trustees intend to vote on a final structure and plan for private company financial reporting in May 2012. The FAF proposed in November 2011 the establishment of a Private Company Standards Improvement Council (PCSIC), which would have the authority to identify, propose, and vote on specific improvements to U.S. accounting standards for private companies. Changes would be subject to ratification by the FASB. Since issuing the proposal, the FAF has received over 7,000 comment letters. Refer to the following Journal of Accountancy article for additional information: <http://journalofaccountancy.com/Web/20125307.htm>.

Additionally, in March the FASB added to its agenda a project to re-examine the definition of a "nonpublic entity." The addition of this project was triggered by feedback received from stakeholders requesting clarification of the concept of "nonpublic entity," as several different definitions currently exist in the Codification. Through this project, the FASB seeks to define what constitutes a private company to distinguish between different types of entities for standard-setting purposes. An additional goal of the project will be to determine which companies are to be included in the scope of the Private Company Decision-Making Framework currently being developed. For more information, refer to:

http://www.fasb.org/cs/ContentServer?site=FASB&c=FASBContent_C&pagename=FASB%2FFASBContent_C%2FNewsPage&cid=1176159863255.

Background: A Blue Ribbon Panel charged with making recommendations on the future of standard setting for private companies was launched by the AICPA and the FAF in 2009 and in January 2011 issued a report of its recommendations to the FAF Board of Trustees. The report calls for fundamental changes to the system of standard setting, including the creation of a new board, to be overseen by the FAF, that would focus on making exceptions and modifications to U.S. GAAP for private companies that better respond to the needs of the private company sector. The report also recommends the creation of a differential framework—a set of decision criteria—to facilitate a standard setter's ability to make appropriate, justifiable exceptions and modifications. The report does not advocate a move toward a separate, self-contained GAAP for private companies or a comprehensive reorganization of GAAP. For more information, refer to the January 26, 2011 FAF News Release at:

http://www.accountingfoundation.org/cs/ContentServer?site=Foundation&c=FAFContent_C&pagename=Foundation/FAFContent_C/FAFNewsPage&cid=1176158181429.

In a July 2011 *FASB In Focus* article, the FASB announced that it has begun developing a Decision-Making Framework for Private Companies, a "differential framework" that would help provide a short-term solution for creating distinct standards or exceptions for private companies. The article describes a recently completed initial assessment of the differences in the way that private company financial statements are used by lenders, investors and others. For more information, refer to:

http://www.fasb.org/cs/ContentServer?site=FASB&c=FASBContent_C&pagename=FASB%2FFASBContent_C%2FProjectUpdatePage&cid=1176158778836.

In November 2011, the FASB added several projects to its agenda to address improvement of financial reporting by private companies and non-profit organizations. The first two projects include a standard-setting project and a research project intended to improve financial reporting of not-for-profit organizations. The objectives of these projects encompass suggestions received by the FASB from its Not-for-Profit Advisory Committee at the Committee's September 2011 meeting. The third project's purpose is to assess the feasibility of reducing or eliminating certain fair value measurement disclosure requirements for private companies and not-for-profit organizations. The decision to add the agenda project was based on comments received during private company roundtable discussions held in October 2011. Summaries of these projects are available at the [FASB website](#).

▶ PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)

PROPOSED PCAOB GUIDANCE

All proposed PCAOB guidance can be accessed on the PCAOB website at <http://www.pcaobus.org/> located under the *Rules of the Board* tab.

Concept Release—*Auditor Independence and Audit Firm Rotation*

Issued: August 16, 2011

Comment Deadline: April 22, 2012

Summary: The PCAOB has reopened the comment period on this Concept Release, which solicits views on ways that auditor independence, objectivity and professional skepticism can be enhanced, including through mandatory rotation of audit firms. Mandatory firm rotation (MFR) would limit the number of consecutive years for which a registered public accounting firm could serve as the auditor of a public company. The PCAOB is soliciting feedback on the advantages and disadvantages of mandatory audit firm rotation, as well as whether there are other measures that could meaningfully enhance auditor independence.

The notion of MFR has been met with a wide variety of both support and opposition, although comment letters on the Concept Release were overwhelmingly opposed to it. Proponents of such a requirement believe that setting a limit on a long-term stream of audit fees that an auditor may receive from one client would free the auditor, to a significant degree, from the effects of management pressure and also offer an opportunity for a fresh look at the company's financial reporting. Opponents have expressed concerns about dilution of audit quality and additional costs that changing auditors could impose on certain issuers. Additional arguments against the requirement include the limitation of audit firm choices due to the reduced number of firms capable of serving large companies, the adverse competitive effect on smaller firms in some cases, as well as the concentration of firm expertise among only one or two audit firms in certain industries.

The PCAOB held a Public Meeting on Auditor Independence and Audit Firm Rotation in March 2012 to obtain further input from interested parties. Panelists included investors and investor advocates, senior executives and audit committee chairs of major corporations, chief executive officers of audit firms, academicians and other interested parties. Wayne Kolins, BDO's Global Head of Audit & Accounting, represented BDO and his formal comments are available at:

http://pcaobus.org/Rules/Rulemaking/Docket037/ps_Kolins.pdf.

A video of Kolins' panel participation can be accessed at: http://www.meetingslive.net/pcaob/ark/0321-2212/pcaob_032212_pm.htm. Kolins' presentation, which took place during the afternoon session of Day 2, begins at 02:19:13 on the counter.

The PCAOB posted to its website written statements from all panelists who addressed the meeting; these statements can be accessed at: <http://pcaobus.org/Rules/Rulemaking/Pages/Docket037Statements.aspx>. Additional information on the Concept Release and the public meeting is available at: http://pcaobus.org/News/Releases/Pages/03072012_PublicMeeting.aspx.

To access the PCAOB's proposed standard along with supplemental materials, refer to: <http://pcaobus.org/Rules/Rulemaking/Pages/Docket037.aspx>.

Proposed Standard –*Related Parties and Related Amendments to PCAOB Auditing Standards*

Issued: February 28, 2012

Comment Deadline: May 15, 2012

Summary: The PCAOB is proposing a new auditing standard, *Related Parties*, amendments to certain PCAOB auditing standards regarding significant unusual transactions, and other proposed amendments to PCAOB auditing standards. The proposed standard, *Related Parties*, would supersede the PCAOB's existing standard AU sec. 334, *Related Parties*.

Proposed Auditing Standard, *Related Parties*

AU section 334 and other PCAOB auditing standards describe procedures for the auditor's evaluation of a company's relationships and transactions with its related parties. An underlying premise of AU section 334 is that management is required by applicable accounting principles to identify a company's related parties and to disclose material related party transactions. AU section 334 describes procedures to assist the auditor in determining the existence of related parties, identifying transactions with related parties, examining the substance of identified related party transactions, and evaluating financial statement disclosures.

The proposed standard would strengthen existing audit procedures for identifying, assessing, and responding to the risks of material misstatement associated with a company's related party transactions. Among other things, the proposed standard would: require the auditor to perform specific procedures for each related party transaction, or type of related party transaction, that is either required to be disclosed or determined to be a significant risk; and require the auditor to communicate to the audit committee, in a timely manner and prior to the issuance of the auditor's report, the auditor's evaluation of the company's identification of, accounting for, and disclosure of its relationships and transactions with related parties.

Proposed Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions

Existing standards describe procedures for the auditor to perform as part of the auditor's evaluation of significant unusual transactions. For example, existing standards require that the auditor gain an understanding of the business rationale for significant unusual transactions and evaluate whether that rationale (or the lack thereof) suggests that the transactions may have been entered into to engage in fraudulent financial reporting or to conceal the misappropriation of assets.

The PCAOB is proposing amendments to AU section 316, *Consideration of Fraud in a Financial Statement Audit*, and other auditing standards to strengthen the auditor's evaluation of significant unusual transactions. Among other things, the proposed amendments regarding significant unusual transactions would: require the auditor to perform specific procedures to identify significant unusual transactions; enhance the auditor's evaluation of the business purpose of significant unusual transactions; and require the auditor to evaluate whether significant unusual transactions have been appropriately accounted for and adequately disclosed.

Other Proposed Amendments to PCAOB Auditing Standards

The PCAOB also is proposing other amendments to auditing standards designed to further complement its proposals with respect to related parties and significant unusual transactions. One such amendment would address the auditor's consideration of a company's financial relationships and transactions with its executive officers. The proposed guidance on this topic would require the auditor to obtain certain information to determine whether pay practices for executives appear to constitute excessive risk-taking by the company, including: an understanding of the company's financial relationships and transactions with its executive officers as part of the auditor's risk assessment; and representations from management that there are no side agreements or other arrangements (either written or oral) undisclosed to the auditor. These proposed amendments would further emphasize the auditor's existing responsibilities to communicate possible fraud to management, the audit committee and, under certain conditions, the SEC and others.

To access the PCAOB's proposed standard along with supplemental materials, refer to:

<http://pcaobus.org/Rules/Rulemaking/Pages/Docket038.aspx>

Effective Date: The PCAOB anticipates that the proposed standard and proposed amendments would be effective, subject to approval by the SEC, for audits of financial statements for fiscal years beginning on or after December 15, 2012. The PCAOB seeks comment regarding the feasibility of this date.

Proposed Standard – *Communications with Audit Committees*

Issued: December 20, 2011

Comment Deadline: February 29, 2012

Summary: The PCAOB has re-proposed its standard on auditors' communications with audit committees that will supersede PCAOB AU section 380 (available at: <http://pcaobus.org/Standards/Auditing/Pages/AU380.aspx>). Although the comment period closed during the first quarter, we have included a brief summary as many concepts in this proposal correlate to concepts in the PCAOB's other current proposals.

The PCAOB originally proposed to amend AU section 380 in March 2010 to establish requirements intended to enhance the relevance and quality of the communications between the auditor and the audit committee. The re-proposed standard has been issued in response to sentiments expressed in various comment letters received and a public roundtable held in 2010 along with implementation considerations to align communication requirements with performance requirements in other PCAOB standards issued, including the PCAOB risk assessment standards (Auditing Standard Nos. 8-15) that became effective in December 2010.

For a more detailed summary of the proposal, refer to BDO's Flash Report *PCAOB Reproposes Auditing Standard on Communications with Audit Committees (AU 380)* at: <http://www.bdo.com/download/1932>. To access the PCAOB's proposed standard along with supplemental materials, refer to: <http://pcaobus.org/Rules/Rulemaking/Pages/Docket030.aspx>

Effective Date: The new proposed standard and related amendments is anticipated to be effective, subject to SEC approval, for audits of fiscal years beginning on or after December 15, 2012.

▶ SECURITIES AND EXCHANGE COMMISSION (SEC)

FINAL SEC GUIDANCE

All SEC Final Rules can be accessed on the SEC website at <http://www.sec.gov/>, 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.)

As of the date of this publication, the SEC had not issued any significant final rules for the first quarter.

PROPOSED SEC GUIDANCE

All SEC Proposed Rules can be accessed on the SEC website at <http://www.sec.gov/>, 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.)

As of the date of this publication, the SEC had not issued any significant proposed rules for the first quarter.

OTHER ACTIVITIES

The following section provides high level summaries of other relevant SEC and PCAOB publications and activities, with particular focus on the recent developments and prioritization of the Work Plan for Global Accounting Standards.

Update on Work Plan for Global Accounting Standards

Summary: Entering 2011, the Securities and Exchange Commission had expected to decide whether, and if so, how and when, to incorporate International Financial Reporting Standards (IFRS) into financial reporting by domestic issuers. The SEC staff made substantial progress toward completing the Work Plan it had developed in 2010 to support the Commission's decision, publishing papers that assessed the development and application of IFRS. The staff also published and obtained comments on a potential framework for incorporating IFRS into the U.S. financial reporting system. However, the staff did not finish its final report on the Work Plan in 2011, and Commission did not have the information it needed to make a decision. In February 2012, the Chief Accountant of the SEC, James Kroeker indicated in a speech to the IFRS Advisory Council meeting in London that an SEC decision on the use of IFRS by U.S. public companies is still a "few" months away.

SEC Chairman Mary Schapiro explained in February 2012 that the SEC will not be rushed to make a decision on IFRS and the primary goal from her perspective is “to do the right thing for U.S. markets and U.S. investors.”

On a related note, the IASB, specifically the IFRS Foundation Monitoring Board (“Monitoring Board”)^a, in February proposed changes to the types of entities that can oversee the IASB. Beginning in 2013, existing membership criteria will be redefined and assessed to require a strong commitment to “supporting the development of high quality international accounting standards” and be able to demonstrate this commitment through domestic use of IFRS in the jurisdiction’s capital markets and participation in the funding of Monitoring Board. The SEC is currently a member of the Monitoring Board and, in theory, the SEC’s current rule allowing SEC registrants based outside the U.S. to file IFRS-prepared financial statements rather than U.S. GAAP financial statements may be deemed sufficient for continuation of the U.S.’s membership in the monitoring group. For more information, refer to the Monitoring Board’s February 2012 Final Report on the Review of the IFRS Foundations’ Governance at:

<http://www.ifrs.org/NR/rdonlyres/2CABFD51-7F0E-47A5-BA99-F7A8B4E99C6F/0/GovernanceReviewFinalReportFeb2012.pdf>

Stay tuned in the coming months for further communications on an SEC decision on IFRS!

CF Disclosure Guidance

Summary: In 2011, the staff of the Division of Corporation Finance introduced a new form of guidance, CF Disclosure Guidance. The staff has commented that it previously issued this type of guidance in the form of “Dear CFO” letters, and this new approach is designed to address a wider group of registrants. In January 2012, the staff issued CF Disclosure Guidance Topic No. 4, European Sovereign Debt Exposures. As a result of the uncertainties with European sovereign debt holdings, the staff reviewed disclosures of direct and indirect exposures from these holdings made by financial institutions that are registrants. In its reviews, the staff issued comments requesting the following enhanced disclosures:

- Gross sovereign, financial institutions, and non-financial corporations’ exposure, separately by country;
- Quantified disclosure explaining how gross exposures are hedged; and
- A discussion of the circumstances under which losses may not be covered by purchased credit protection.

Topic No. 4 cites the MD&A, risk factors and Industry Guide 3 disclosure requirements that may call for enhanced disclosure of European sovereign debt exposures. The guidance points to the MD&A requirement to disclose “known trends or uncertainties” and cautions against boilerplate disclosure.

The CF Disclosure Guidance Topic No. 4 can be accessed at <http://www.sec.gov/divisions/corpfina/cfdisclosure.shtml#cfguidancetopics>.

^a Among other duties, the IFRS Foundation Monitoring Board is responsible for the approval of appointments of trustees and reviewing the IASB’s oversight activities and budgeting and funding mechanisms. For further information refer to: http://www.ifrs.org/NR/rdonlyres/28B9BB17-79C8-4623-B043-B15F8D7A774D/0/Monitoring_Board_Charter.pdf

▶ INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

FINAL IASB GUIDANCE

All final IASB guidance can be accessed on the IASB website at <http://www.ifrs.org/>, located under the *IFRS* tab, *Standards and Interpretations*.

Amendments to IFRS 1 – *First-time Adoption of International Financial Reporting Standards*

Issued: March 2012

Summary: The amendments add an exception to the general requirement of retrospective application of IFRS to allow first-time adopters to apply the requirements in IFRS 9 *Financial Instruments* and IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* prospectively to government loans existing at the date of transition to IFRS. With the amendments a first-time adopter that did not, under its previous GAAP, recognize and measure a government loan at a below-market rate of interest at fair value, is provided relief from a requirement to adjust its previous GAAP carrying amount for the loan at the date of transition to reflect its fair value when the loan was originally received. However, entities may choose to apply the requirements of IFRS 9 and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. These amendments give first-time adopters the same relief as existing preparers of IFRS financial statements.

Effective Date: The amendments are mandatory for annual periods beginning on or after January 1, 2013, with earlier application permitted.

PROPOSED IASB GUIDANCE

The following is a summary of all proposed guidance that was issued or remained open for comment during the quarter. All proposed IASB guidance can be accessed on the IASB website at <http://www.ifrs.org/>, located under the *Get Involved* tab, *Comment on a Proposal*.

As of the date of this publication, the IASB had not issued any proposed rules for the first quarter. Refer to the IASB's work plan for an update of recent and planned activity at:

<http://www.ifrs.org/Current+Projects/IASB+Projects/IASB+Work+Plan.htm>.

OTHER ACTIVITIES

The following section provides high level summaries of other relevant IASB publications and activities, with particular focus on the recent developments and prioritization of the FASB and IASB's joint efforts to work towards convergence of U.S. GAAP and IFRS.

Updates on IASB Public Consultation on Future Work Program

Summary: Throughout the first quarter of 2012, the IASB held a series of public round-table meetings for its *Request for Views Agenda Consultation 2011* published in July 2011. More information on the round tables is available at:

<http://www.ifrs.org/Current+Projects/IASB+Projects/IASB+agenda+consultation/round+tables/round+tables.htm>.

Background: In July 2011, the IASB launched a public consultation to seek broad public input on the strategic direction and overall balance of its future work program. The consultation document published asks deliberately open questions to gather views on the IASB's future work program from all those involved in or affected by financial reporting. In particular, the IASB is seeking feedback on how it should balance the development of financial reporting with the maintenance of IFRS and—with consideration of our time and resource constraints—those areas of financial reporting that should be given the highest priority for further improvement. The consultation period on the future work program of the IASB closed on November 30, 2011. The *Request for Views Agenda Consultation 2011* document is available at: <http://go.ifrs.org/agenda+consultation+2011+CLs>.

Update on IASB - IFRS Foundation Monitoring Board

For a summary of a recent report that may impact membership of the IFRS Foundation Monitoring Board, particularly with regard to the SEC, please refer to the *SEC: Other Activities* section above.

Update on International Convergence

For a summary of international convergence efforts, please refer to the *FASB: Other Activities* section above.

▶ 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 2011 have been included since many companies applied them for the first time in 2012, e.g., the first interim or annual period beginning on or after December 15, 2011. Standards that do not require adoption before 2013 are highlighted in gray.

PRONOUNCEMENT	EFFECTIVE DATE
ASC 210, Balance Sheet	
ASU 2011-11, <i>Disclosures about Offsetting Assets and Liabilities</i>	An entity is required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented.
ASC 220, Comprehensive Income	
ASU 2011-12, <i>Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-5</i>	For public entities, effective for interim and annual periods beginning after 12/15/2011. For nonpublic entities, effective for fiscal years ending after 12/15/2012, and interim and annual periods thereafter. Retrospective adoption is required. The amendments in ASU 2011-12 are effective simultaneous with ASU 2011-5.
ASU 2011-5, <i>Presentation of Comprehensive Income</i>	For public entities, effective for interim and annual periods beginning after 12/15/2011. For nonpublic entities, effective for fiscal years ending after 12/15/2012, and interim and annual periods thereafter. Retrospective adoption is required. Early adoption is permitted, because compliance with the amendments is already permitted. The amendments do not require any transition disclosures.
ASC 310, Receivables	
ASU 2011-2, <i>A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring</i>	Effective for public entities for the first interim or annual period beginning on or after 6/15/2011, and should be applied retrospectively to modifications occurring on or after the beginning of the annual period of adoption. Effective for nonpublic entities for annual periods ending on or after 12/15/2012, including interim periods within those annual periods. Early adoption is permitted for public and nonpublic entities, with certain stipulations for nonpublic entities.

PRONOUNCEMENT	EFFECTIVE DATE
ASU 2011-1, <i>Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20</i>	ASU 2011-01 temporarily delayed the effective date of ASU 2010-20 for public companies, while the Board completed its deliberations on what constitutes a TDR for a creditor. See ASU 2011-02 for current effective date requirements.
ASU 2010-20, <i>Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses</i>	<p>For public entities, disclosures at period end are effective for interim and annual reporting periods ending on or after 12/15/10. Disclosures about activity that occurs during a reporting period are effective for interim and annual reporting periods beginning on or after 12/15/10.</p> <p>For nonpublic entities, the disclosures required by ASU 2010-20 are effective for annual reporting periods ending on or after 12/15/2011.</p>
ASC 350, Intangibles—Goodwill and Other	
ASU 2011-8, <i>Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment</i>	Effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption is permitted, including for annual and interim goodwill impairment tests performed as of a date before September 15, 2011, if an entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance
ASU 2010-28, <i>When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts</i>	Effective for public entities for fiscal years, and interim periods within those years, beginning after 12/15/2010. Early adoption is not permitted. Effective for nonpublic entities for fiscal years, and interim periods within those years, beginning after 12/15/2011. Nonpublic entities may elect early adoption using the same effective date as public entities.
ASC 360, Property, Plant, and Equipment	
ASU 2011-10, <i>Derecognition of in Substance Real Estate—a Scope Clarification (a consensus of the FASB Emerging Issues Task Force)</i>	<p>The amendments in this Update should be applied on a prospective basis to deconsolidation events occurring after the effective date. Prior periods should not be adjusted even if the reporting entity has continuing involvement with previously derecognized in substance real estate entities.</p> <p>For public entities, the amendments in this Update are effective for fiscal years, and interim periods within those years, beginning on or after June 15, 2012. For nonpublic entities, the amendments are effective for fiscal years ending after December 15, 2013, and interim and annual periods thereafter. Early adoption is permitted.</p>

PRONOUNCEMENT	EFFECTIVE DATE
ASC 715, Compensation	
ASU 2011-9, <i>Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer’s Participation in a Multiemployer Plan</i>	For public entities, effective for annual periods for fiscal years ending after December 15, 2011, with early adoption permitted. For nonpublic entities, effective for annual periods for fiscal years ending after December 15, 2012, with early adoption permitted. The amendments should be applied retrospectively for all prior periods presented.
ASC 720, Other Expenses	
ASU 2011-6, <i>Fees Paid to the Federal Government by Health Insurers (a consensus of the FASB Emerging Issues Task Force)</i>	Effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective.
ASC 820, Fair Value Measurements and Disclosures	
ASU 2011-4, <i>Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs</i>	The amendments in this Update are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after 12/15/2011; early application is not permitted. For nonpublic entities, the amendments are effective for annual periods beginning after 12/15/2011. Nonpublic entities may apply the amendments in this Update early, but no earlier than for interim periods beginning after 12/15/2011.
ASC 860, Transfers and Servicing	
ASU 2011-3, <i>Reconsideration of Effective Control for Repurchase Agreements</i>	Effective for all entities, both public and nonpublic, for the first interim or annual period beginning on or after 12/15/2011. The guidance should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early adoption is not permitted
ASC 944, Financial Services – Insurance	
ASU 2010-26, <i>Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning after 12/15/2011 through prospective adoption. Retrospective application for all periods presented is permitted. Early adoption is permitted, but only at the beginning of an entity’s annual reporting period.
ASC 954, Health Care Entities	
ASU 2011-7, <i>Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities (a consensus of the FASB Emerging Issues Task Force)</i>	Effective for public entities for fiscal years beginning after 12/15/2011, and interim periods within those fiscal years. For nonpublic entities, the Issue will be effective for fiscal years ending after 12/15/2012, and interim and annual periods thereafter. Early adoption is permitted. Entities must apply the presentation requirements retrospectively; however, the qualitative and quantitative disclosures are only required to be provided prospectively.

▶ BDO RESOURCES FOR CLIENTS AND CONTACTS

The following is a sample of recent BDO thought leadership materials that may be of interest. For additional publications and resources, please refer to: <http://www.bdo.com/publications/assurance/>

BDO AC'SENSESM UPCOMING WEBINAR EVENTS AND ARCHIVES

Please check <http://www.bdo.com/acsense/> for current and upcoming programs.

Archives

- **NEW!** Quarterly Financial Update - Q1 2012 - April 4, 2012^b
<http://www.bdo.com/acsense/events/2012IFRSRevRec.aspx>
- **NEW!** Focus on Fraud - Employee Fraud, From Discovery to Recovery - March 20, 2012
<http://www.bdo.com/acsense/events/2012EmployeeFraud.aspx>
- **NEW!** Institutional Shareholder Services (ISS): New Approach to Evaluating Executive Compensation - February 8, 2012
<http://www.bdo.com/acsense/events/2012ISSExecComp.aspx>
- **NEW!** FASB Revenue Recognition Exposure Draft Update - January 18, 2012
<http://www.bdo.com/acsense/events/2012IFRSRevRec.aspx>
- **NEW!** Quarterly Financial Update - Q4 2011 - January 6, 2012
<http://www.bdo.com/acsense/events/Q42011.aspx>
- Complex Financial Instruments - December 15, 2011
<http://www.bdo.com/acsense/events/ComplexFinancialInstruments.aspx>
- BDO Board Reflections - 2011 BDO Board Survey Results - December 7, 2011
<http://www.bdo.com/acsense/events/BoardSurveyResults.aspx>
- Quarterly Financial Update - Q3 2011 - October 5, 2011
<http://www.bdo.com/acsense/events/Q32011.aspx>
- FCPA Series: Doing Business Abroad - Spotlight on Russia- September 26, 2011
<http://www.bdo.com/acsense/events/FCPARussia.aspx>
- Focus on Fraud - September 15, 2011
<http://www.bdo.com/acsense/events/FocusonFraud2011.aspx>
- Effective Audit Committees in the Ever Changing Marketplace - July 21, 2011

^b Expected to be released as a self-study course in mid-April 2012.

<http://www.bdo.com/acsense/events/EffectiveAuditCommittees.aspx>

- Quarterly Financial Update - Q2 2011 - July 7, 2011
<http://www.bdo.com/acsense/events/Q22011.aspx>
- Mergers & Acquisitions: Opportunities and Obstacles in a Recovering Marketplace - May 16, 2011
<http://www.bdo.com/acsense/events/MA.aspx>
- FCPA Series: Doing Business Abroad - Spotlight on China - April 28, 2011
<http://www.bdo.com/acsense/events/FCPACHina.aspx>
- Quarterly Financial Update - Q1 2011 - April 6, 2011
<http://www.bdo.com/acsense/events/Q12011.aspx>
- Uncertain Tax Positions - Planning for New IRS Schedule - March 23, 2011
<http://www.bdo.com/acsense/events/TaxPositions.aspx>
- Executive Compensation: Impact of the Dodd-Frank Act and Next Steps - February 23, 2011
<http://www.bdo.com/acsense/events/ExecutiveCompensation.aspx>
- Whistleblowing: Responding to the Race to Report – February 3, 2011
<http://www.bdo.com/acsense/events/Whistleblowing.aspx>
- Quarterly Financial Update - Q4 2010 - January 7, 2011
<http://www.bdo.com/acsense/events/Q42010.aspx>

BDO BOARD REFLECTIONS

<http://www.bdo.com/library/boardreflections.aspx>

In September 2011, BDO released its Board Reflections resource center designed with public and private company boards of directors in mind. Understanding the roles, responsibilities and risks associated with each committee, BDO routinely provides guidance to directors as they navigate through ever changing challenges in today's corporate climate. BDO's proprietary studies, publications, practice aids and educational programs help fuel conversations among those charged with corporate governance - who are making the tough decisions. Within this site, BDO has included resources across our various disciplines to help keep board members ahead of the trends while meeting compliance obligations.

BDO CLIENT ADVISORIES

<http://www.bdo.com/publications/assurance/>

- **NEW!** BDO Board Reflections: Top Issues at 2012 Shareholder Meetings (March 2012)
- **NEW!** Considerations for Nominating Committees (January 2012)
- **NEW!** 2012 BDO IPO Outlook (January 2012)
- 2011 BDO IPO Halftime Report (July 2011)
- Effective Audit Committees in the Ever Changing Marketplace (January 2011; <http://www.bdo.com/acsense/effective.aspx>)

BDO FINANCIAL REPORTING LETTERS & FLASH REPORTS

<http://www.bdo.com/publications/assurance/>

- **NEW!** BDO Knows: Multiemployer Pension Plans (1/24/2012)
- **NEW!** Report on 2011 AICPA SEC and PCAOB Conference (1/13/2012)
- **NEW!** SEC Year in Review – Significant 2011 Developments (1/13/2012)
- **NEW!** Accounting Year in Review – 2011 (1/12/2012)
- **UPDATED!** BDO Flash Reports - Flash reports are intended to highlight certain financial reporting developments in a timely and brief “flash” format.
- BDO Knows: Goodwill Impairment (9/28/2011)
- BDO Knows: Comprehensive Income Newsletter (8/23/2011)
- BDO Knows: Contingent Consideration (6/13/2011)
- Report on 2010 AICPA SEC and PCAOB Conference (1/13/2011)
- SEC Year in Review – Significant 2010 Developments (1/13/2011)
- Accounting Year in Review – 2010 (1/13/2011)

BDO IFRS RESOURCE CENTER

<http://www.bdo.com/ifrs/>

Refer to the above website to keep current on the latest developments with regard to IFRS and the practical considerations involved in the convergence toward and implementation of global standards.

NEW! In addition to several Ac’sense IFRS self-study courses currently available at www.bdo.com/acsense, BDO has expanded its course offerings by building a library of brief IFRS modules on various topics of significant interest, ranging from adoption and implementation to specific accounting topics including financial instruments and income taxes. Additional courses will be added to the library during 2012. Access these courses at: <http://www.bdo.com/ifrs/education.aspx>.

See also:

BDO Knows: IFRS – SEC’s Progress Report on Work Plan for Global Accounting Standards available at:

<http://www.bdo.com/download/1508>

BDO Knows: IFRS – SEC Seeks Comments on Incorporation of IFRS available at: <http://www.bdo.com/download/1442>