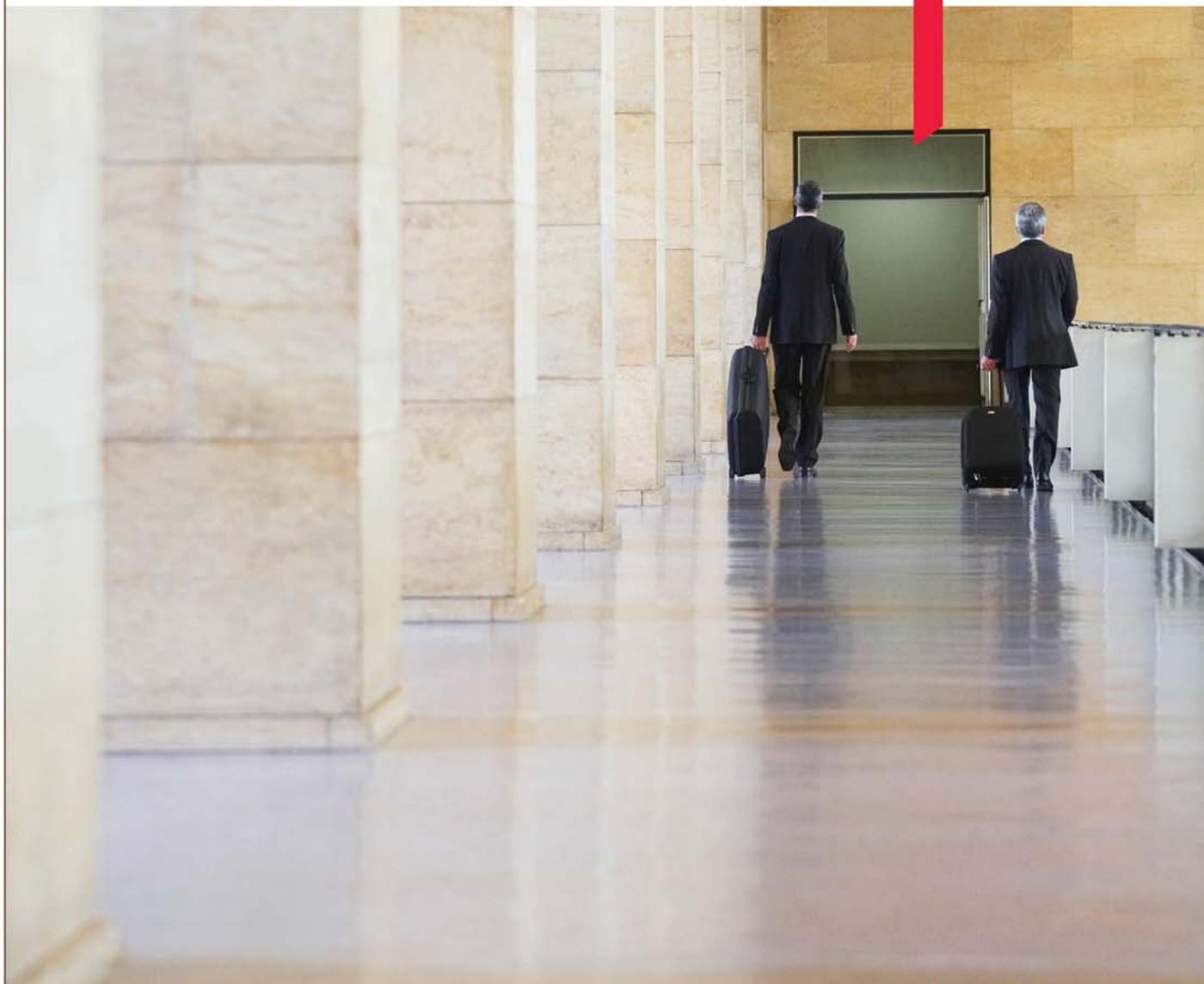


AN OFFERING FROM BDO'S NATIONAL ASSURANCE PRACTICE

SIGNIFICANT ACCOUNTING & REPORTING MATTERS



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▶ TABLE OF CONTENTS

Financial Accounting Standards Board (FASB)	3
Final FASB Guidance	3
Proposed FASB Guidance	5
Other Activities.....	6
Securities Exchange Commission (SEC)	8
Final Rules.....	8
Proposed Rules.	9
Other Activities.....	9
International Accounting Standards Board (IASB)	11
Final IASB Guidance.....	11
Proposed IASB Guidance	11
Other Activities.....	13
Effective Dates of U.S. Accounting Pronouncements	14
BDO Resources for Clients and Contacts	20

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

▶ 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, *Standards Issued in 2011*.

Accounting Standards Update 2011-09 – Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer's Participation in a Multiemployer Plan

Issued: September 2011

Summary: The amendments in this Update require that employers provide additional separate disclosures for multiemployer pension plans and multiemployer other postretirement benefit plans. For employers that participate in multiemployer pension plans, the amendments in this Update require an employer to provide additional quantitative and qualitative disclosures. The amended disclosures provide users with more detailed information about an employer's involvement in multiemployer pension plans, including: significant multiemployer plans in which an employer participates, specifying the plan names and identifying numbers; level of an employer's participation in the significant multiemployer plans; financial health of the significant multiemployer plans; and nature of the employer commitments to the plan. Using the Employer Identification Number, the plan name and, if applicable, the plan number, users of financial statements would be able to obtain additional information, including the funded status of the plan(s), from sources outside the financial statements such as the plan's annual report (Form 5500).

For other plans for which users are unable to obtain additional publicly available information outside the employer's financial statements, the amendments in this Update require the employer to make additional disclosures about the plan, including: a description of the nature of the plan benefits; a qualitative description of the extent to which the employer could be responsible for the obligations of the plan; and other quantitative information, to the extent available, as of the most recent date available, to help users understand the financial information about the plan.

The amendments do not change current recognition and measurement guidance for an employer's participation in a multiemployer plan.

Effective Date: For public entities, the amendments in this Update are effective for annual periods for fiscal years ending after December 15, 2011, with early adoption permitted. For nonpublic entities, the amendments are 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.

Accounting Standards Update 2011-08 – *Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment*

Issued: September 2011

Summary: In the past, companies have calculated a reporting unit's fair value in the first of two steps for assessing impairment of goodwill. If the fair value of the reporting unit is more than its carrying amount, there is no impairment. If fair value is less, a second step of analysis is performed to determine the amount of impairment, if any. Under the amendments in this Update, companies have a new option to determine first whether it is necessary to apply the traditional two-step goodwill impairment test, based on qualitative factors. If a company elects to use the option, it must assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If so, the existing quantitative calculations in steps one and two continue to apply. However, if after assessing the totality of the qualitative factors, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary.

Further, under the amendments in this Update, an entity has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. An entity may resume performing the qualitative assessment in any subsequent period.

The Update includes examples of events and circumstances that, although not all-inclusive, an entity should consider in evaluating whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, which supersede the previous examples of events and circumstances that an entity should consider when testing goodwill for impairment between annual tests. An entity having a reporting unit with a zero or negative carrying amount will also consider the revised list of factors in determining whether to perform the second step of the impairment test.

Under the amendments, an entity no longer is permitted to carry forward its detailed calculation of a reporting unit's fair value from a prior year as previously permitted.

The amendments do not change the current guidance for testing other indefinite lived intangible assets for impairment. However, at the September 7, 2011 board meeting, in response to the feedback received on the goodwill impairment project, the FASB Chairman added a short-term, narrow-scope project to the FASB agenda to simplify the manner in which an entity tests other indefinite lived intangible assets for impairment. The board plans to finalize that project by mid-2012.

For additional information on this Update, refer to *BDO Knows: Goodwill Impairment*, accessible at: <http://www.bdo.com/download/1814>.

Effective Date: The amendments are 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.

Accounting Standards Update 2011-07 – *Health Care Entities (Topic 954): 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)*

Issued: July 2011

Summary: The amendments in this Update require certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, the amendments expand

disclosure requirements for those health care entities regarding their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts.

Effective Date: This Update will be effective for public entities for fiscal years beginning after December 15, 2011, and interim periods within those fiscal years. For nonpublic entities, this Update will be effective for fiscal years ending after December 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.

Accounting Standards Update 2011-06 – *Other Expenses (Topic 720): Fees Paid to the Federal Government by Health Insurers (a consensus of the FASB Emerging Issues Task Force)*

Issued: July 2011

Summary: In March 2010, President Obama signed into law The Patient Protection and Affordable Care Act and The Health Care and Education Reconciliation Act (the "Acts"). The Acts impose an annual fee on certain health insurers for each calendar year beginning after 2013. The amendments in this Update specify that the liability for the fee should be estimated and recorded in full once the entity provides qualifying health insurance in the applicable calendar year in which the fee is payable with a corresponding deferred cost that is amortized to expense using a straight-line method of allocation unless another method better allocates the fee over the calendar year that it is payable.

Additionally, this Update indicates that the fee would not meet the definition of an acquisition cost; that definition was amended by FASB ASU No. 2010-26, *Financial Services—Insurance (Topic 944): Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts*.

Effective Date: The amendments in this Update are effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective.

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 – *Property, Plant, and Equipment (Topic 360): Derecognition of in Substance Real Estate—a Scope Clarification (a consensus of the FASB Emerging Issues Task Force)*

Issued: July 20, 2011

Comment Deadline: October 3, 2011

Summary: Accounting Standards Codification (ASC) Subtopic 810-10, *Consolidation—Overall*, requires that a parent deconsolidate a subsidiary if the parent ceases to have a controlling financial interest in the subsidiary. However, differing views exist in practice on whether the parent of an in substance real estate subsidiary must satisfy the criteria in Subtopic 360-20, *Property, Plant, and Equipment—Real Estate Sales*, in order to derecognize the real estate.

When a reporting entity ceases to have a controlling financial interest (as described in Subtopic 810-10) in a subsidiary that is in substance real estate as a result of default on the subsidiary's nonrecourse debt, this proposed Update would require a reporting entity to apply the guidance in Subtopic 360-20 to determine whether it should derecognize the assets (including real estate) and liabilities (including the related nonrecourse debt) in the in substance real estate entity. In addition, the entity should apply the measurement provisions in Subtopic 360-20.

Effective Date: The amendments in this proposed Update would be applied on a prospective basis to deconsolidation events occurring after the effective date. Prior periods would not be adjusted even if the reporting entity has continuing involvement with previously derecognized in substance real estate entities. The effective date will be determined after the Task Force considers feedback on the proposed Update.

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

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 a July 2011 FASB In Focus article, the board announced that it has begun developing a so-called "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. The staff's initial findings are described in the context of six significant factors that differentiate the financial reporting considerations of private companies from public companies (types of users, access to management, investment strategies, ownership structures, accounting resources, and education). The staff assessment is the first stage in an effort by the FASB to develop this differential framework for deciding whether and when to adjust the requirements for recognition, measurement, presentation, disclosure, effective dates and transition methods for financial accounting standards that apply to private companies.

In August 2011, the FASB announced that it will again host two public roundtable meetings this fall to discuss issues relating to existing private company accounting and reporting standards, after determining the two roundtables held in the fall of 2010 were valuable forums for hearing first hand from private company constituents about their concerns with existing GAAP. Topics to be discussed at this year's roundtables are expected to include, but will not be limited to, accounting and disclosure requirements relating to variable interest entities, interest rate swaps, and level 3 fair value measurements. The roundtable meetings will take place on Tuesday, October 11, 2011 and Monday, October 17, 2011. More information and registration for the meetings are available at:

http://www.fasb.org/cs/ContentServer?site=FASB&c=FASBContent_C&pagename=FASB%2FFASBContent_C%2FNewsPage&cid=1176158808803.

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 Financial Accounting Foundation ("FAF" - the FASB's parent organization) 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 March 2011, the FAF Board of Trustees announced the formation of a 10-member Private Company Resource Group, which includes users, preparers and auditors of private company financial statements, to evaluate the staff assessment and advise the Board in developing a differential decision-making framework.

▶ 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.)

Final Rule – *Facilitating Shareholder Director Nominations (Notice of Effective Date)*

Release: 33-9259

Issued: September 2011

Summary: In July 2011, the U.S. Court of Appeals for the District of Columbia vacated Exchange Act Rule 14a-11 which would have required companies to facilitate the rights of shareholders to nominate directors to a company's board, and in September the SEC confirmed that it would not seek rehearing of the decision. On September 15, 2011 the SEC issued a Final Rule, *Facilitating Shareholder Director Nominations*, (<http://www.sec.gov/rules/final/2011/33-9259.pdf>) that eliminated the stay on the amendments to Exchange Act Rule 14a-8 that the SEC had in place while the Court considered Rule 14a-11 (<http://www.sec.gov/rules/final/2010/33-9136.pdf>). Rule 14a-8 will require companies to include in their proxy materials, under certain circumstances, shareholder proposals that seek to establish a procedure in the company's governing documents for the inclusion of one or more shareholder director nominees in the company's proxy materials. This release provides notice that the amendments to Rule 14a-8 and related rule changes become effective upon publication of Release 33-9259 in the Federal Register.

Effective Date: This rule became effective on September 20, 2011.

SEC Approves PCAOB Rules on Audits of Broker-Dealers

Release: 34-65163 and 34-65162

Issued: August 2011

Summary: On August 18, 2011 the SEC issued the following orders approving proposed interim inspection and funding rules:

- Order Approving Proposed Temporary Rule for Interim Program of Inspection Related to Audits of Brokers and Dealers (Inspection Order); and
- Order Approving Proposed Board Funding Final Rules for Allocation of the Board's Accounting Support Fee Among Issuers, Brokers, and Dealers, and Other Amendments to the Board's Funding Rules (Funding Order).

Effective Date: These rules became effective upon approval by the SEC pursuant to Section 107 of the Sarbanes-Oxley Act of 2002.

PROPOSED 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.)

There were no significant SEC Proposed Rules in the third 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.

PCAOB Issues Concept Releases on Auditor Independence and Audit Reports

Summary: The PCAOB recently issued two concept releases:

- Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements (Docket No. 034); and
- Auditor Independence and Audit Firm Rotation (Docket No. 037)

These concept releases can be accessed on the PCAOB's website at: <http://pcaobus.org/Standards/Pages/CurrentStatus.aspx>

Webcasts and podcasts of the PCAOB Open Board Meetings, where these matters are discussed prior to issuance of the concept releases, can also be accessed on the PCAOB's website and are helpful in understanding the issues involved and views of the Board. These recordings can be accessed at: <http://pcaobus.org/News/Webcasts/Pages/default.aspx>

The concept release relating to reports on audited financial statements discusses alternatives for changing the auditor's reporting model. Several alternatives for changing the auditor's reporting model are presented and the PCAOB is seeking specific comment on these or other alternatives that could provide investors with more transparency in the audit process and more insight into the company's financial statements or other information outside the financial statements.

The alternatives considered in the release include:

- An auditor's discussion and analysis (AD&A);
- Required and expanded use of emphasis of matter paragraphs;
- Auditor assurance on other information outside the financial statements, such as MD&A; and

- Clarification of language in the standard auditor’s report.

Comments on this release were due September 30, 2011.

The concept release relating to auditor independence and firm rotation discusses ways that auditor independence, objectivity and professional skepticism can be enhanced, including through mandatory rotation of audit firms. Mandatory audit firm rotation would limit the number of consecutive years for which a registered public accounting firm could serve as the auditor of a public company. Comments on this release are due December 14, 2011 and BDO will be responding to this concept release.

A summary of BDO’s position on these matters can be accessed at: <http://www.bdo.com/download/1802>.

SEC Hosts Roundtable on International Financial Reporting Standards

Summary: On July 7, 2011, the SEC held roundtable discussions with representatives from investors, smaller public companies, and regulators to discuss benefits and challenges related to potentially incorporating IFRS in the United States financial reporting system. The investor panel discussion was supportive of a single set of globally accepted accounting standards. However, the investor panelists were concerned about the IASB’s governance and funding, especially regarding the fact that in some countries, financial reporting may serve public policy interests rather than those of investors. Further concerns were raised on the uniform application of principles-based accounting standards and the IASB’s interpretative mechanisms. Investors stressed the importance of the IASB’s having a responsive interpretative mechanism subject to a formal standard-setting process, and they noted that local interpretation of IFRS could lead to diverse application of IFRS globally.

The smaller public companies panelists were concerned about the lack of resources and the potential implementation costs. Some panelists viewed little or no benefits of implementing IFRS. The panelists mostly supported a “big bang approach” versus a staggered approach for incorporating IFRS into the U.S. system. A staggered transition was perceived as more costly. They also stressed the importance of the FASB and IASB completing its current convergence projects before the SEC sets the date for IFRS incorporation. There were also different views expressed on whether to allow for early adoption.

The regulatory panelists discussed the current use of U.S. GAAP financial information in the various regulatory activities they undertake, the steps required and potential timing to make changes in regulations, and costs and benefits of potential IFRS incorporation. The panelists believe that sufficient time should be provided for the transition to IFRS and that the needs of U.S. investors should be carefully considered.

▶ 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*.

The IASB did not issue any final standards in the third quarter.

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*.

Exposure Draft – *Investment Entities*

Issued: August 2011

Comment Deadline: January 5, 2012

Summary: This exposure draft addresses whether an investment entity would be required to consolidate a controlled investment or carry the investment at fair value with changes through profit or loss. The IASB received a number of comments on its recently issued pronouncement, IFRS 10 *Consolidated Financial Statements*, related to the usefulness from an investor's perspective of presenting consolidated financial statement for investments that an investment entity controls compared to presenting the investment at fair value. This exposure draft proposes criteria for an entity to qualify as an investment entity and guidance for making this assessment. The proposals would require an investment entity to measure its investments in controlled entities at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* (as issued in October 2010) and to provide additional disclosures to enable users of its financial statements to evaluate the nature and financial effects of its investment activities.

This exposure draft also proposes that in its consolidated financial statements, a parent of an investment entity should not retain the fair value accounting that is applied by its investment entity subsidiary to controlled entities, unless the parent qualifies as an investment entity itself. As a consequence, a parent of an investment entity should consolidate all entities it controls, including those that are controlled by an investment entity subsidiary, unless the parent is an investment entity itself. When consolidating, a parent of an investment entity would, however, retain the fair value accounting applied by the investment entity to investments in associates and joint ventures and other non-controlled entities.

For consistency within IFRS, the exposure draft also proposes to amend the relevant paragraphs of IAS 28 *Investments in Associates and Joint Ventures*: (a) to replace references to 'venture capital organization, mutual fund, unit trust and similar

entities' with 'investment entity'; and (b) to require an investment entity to measure its investments in associates and joint ventures at fair value through profit or loss in accordance with IFRS 9.

To ensure comparability among entities, the exposure draft would require that entities applying this guidance early also apply all aspects of IFRS 10, IFRS 11 *Joint Arrangements*, IFRS 12 and IAS 28 (as amended in 2011).

Effective Date: The amendments in this proposed IFRS would be applied on a prospective basis for annual periods beginning on or after a date to be determined. If an entity applies this proposed IFRS in its financial statements early, it shall also apply IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as amended in 2011).

Exposure Draft – Mandatory Effective Date of IFRS 9 (proposed amendment to IFRS 9 (November 2009) and IFRS 9 (October 2010))

Issued: August 2011

Comment Deadline: October 21, 2011

Summary: The IASB has published this exposure draft of proposed amendments to IFRS 9 *Financial Instruments* (issued November 2009) and IFRS 9 *Financial Instruments* (issued October 2010) so that entities would be required to apply them for annual periods beginning on or after January 1, 2015 rather than being required to apply them for annual periods beginning on or after January 1, 2013. Early application of both would continue to be permitted.

Exposure Draft – Improvements to IFRSs

Issued: June 2011

Comment Deadline: October 21, 2011

Summary: The IASB has published this exposure draft of proposed amendments to IFRS as part of its annual improvements project. The following table shows the topics addressed by these amendments.

PRONOUNCEMENT	TOPICS
IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>	<ul style="list-style-type: none"> • Repeated application of IFRS 1 • Borrowing costs relating to qualifying assets for which the commencement date for capitalization is before the date of transition to IFRSs
IAS 1 <i>Presentation of Financial Statements</i>	<ul style="list-style-type: none"> • Clarification of requirements for comparative information • Consistency with the updated Conceptual Framework
IAS 16 <i>Property, Plant and Equipment</i>	<ul style="list-style-type: none"> • Classification of servicing equipment
IAS 32 <i>Financial Instruments: Presentation</i>	<ul style="list-style-type: none"> • Income tax consequences of distributions to holders of an equity instrument, and of transaction costs of an equity transaction

PRONOUNCEMENT	TOPICS
IAS 34 <i>Interim Financial Reporting</i>	<ul style="list-style-type: none"> Interim financial reporting and segment information for total assets

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.

IASB Publishes Effect Analyses for IFRS 10 and IFRS 11

Summary: The effect analyses for IFRS 10 *Consolidated Financial Statements*, which also includes the effect analysis for IFRS 12 *Disclosure of Interests in Other Entities*, and the effect analysis IFRS 11 *Joint Arrangements*, are now available for download on the project pages. The effect analyses provide detailed insights into the potential impacts of the new requirements using case studies and other quantitative and qualitative material, as appropriate. The effect analyses can be accessed at: http://www.ifrs.org/News/Announcements+and+Speeches/EffectanalFRS10_11.htm.

IASB Launches a Public Consultation on Future Work Program

Summary: 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 IFRSs 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 closes on November 30, 2011. The *Agenda Consultation 2011—Request For Views* document may be accessed at: <http://go.ifrs.org/agenda+consultation+2011+CLs>.

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 2010 have been included since many companies applied them for the first time in 2011, e.g., the first interim or annual period beginning on or after December 15, 2010. Standards that do not require adoption before 2012 are highlighted in gray.

PRONOUNCEMENT	EFFECTIVE DATE
ASC 220, Comprehensive Income	
ASU 2011-05 , <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. Early adoption is permitted, because compliance with the amendments is already permitted. The amendments do not require any transition disclosures.
ASC 310, Receivables	
ASU 2010-18 , <i>Effect of a Loan Modification When the Loan Is Part of a Pool That Is Accounted for as a Single Asset</i>	Effective for modifications of loans accounted for within a pool occurring in the first interim or annual period ending on or after 7/15/2010. The amendments should be applied prospectively. Early application is permitted.
ASU 2010-20 , <i>Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses</i>	ASU 2011-01 temporarily delayed the effective date of ASU 2010-20 for public companies, while the Board completes its deliberations on what constitutes a TDR for a creditor. The effective date of the new disclosures about TDRs for public entities and the guidance for determining what constitutes a TDR will then be coordinated. Currently, the forthcoming guidance is anticipated to be effective for interim and annual periods ending after June 15, 2011. For nonpublic entities, the disclosures required by ASU 2010-20 are effective for annual reporting periods ending on or after 12/15/2011.
ASU 2011-01 , <i>Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20</i>	The deferral in this amendment is effective upon issuance (January, 2011) for public entities. The ASU does not affect nonpublic entities.

PRONOUNCEMENT	EFFECTIVE DATE
ASU 2011-02 , <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.
ASC 350, Intangibles—Goodwill and Other	
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.
ASU 2011-08 , <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
ASC 605-25, Revenue Recognition, Multiple-Element Arrangements	
ASU 2009-13 , <i>Multiple-Deliverable Revenue Arrangements</i>	Effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after 6/15/2010. Early application is permitted.
ASU 2010-17 , <i>Milestone Method of Revenue Recognition</i>	<p>Effective prospectively for milestones achieved in fiscal years, and interim periods within those years, beginning on or after 6/15/2010. Early adoption is permitted. If a vendor elects early adoption and the period of adoption is not the beginning of the entity's fiscal year, the entity should apply the amendments retrospectively from the beginning of the year of adoption.</p> <p>Additionally, a vendor electing early adoption should disclose certain information specified in the ASU for all previously reported interim periods in the fiscal year of adoption.</p> <p>A vendor may elect, but is not required, to adopt the amendments in the ASU retrospectively for all prior periods.</p>

PRONOUNCEMENT	EFFECTIVE DATE
ASC 715, Compensation	
ASU 2011-09 , <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 718, Stock Compensation	
ASU 2010-05 , <i>Escrowed Share Arrangements and the Presumption of Compensation</i>	Effective immediately on issuance in January, 2010 for all SEC registrants.
ASU 2010-13 , <i>Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning on or after 12/15/2010. The amendments should be applied by recording a cumulative-effect adjustment to the opening balance of retained earnings for all awards outstanding as of the beginning of the annual period in which the Update is adopted. Early application is permitted.
ASC 720, Other Expenses	
ASU 2010-27 , <i>Fees Paid to the Federal Government by Pharmaceutical Manufacturers</i>	Effective for calendar years beginning after 12/31/2010, when the fee initially becomes effective.
ASU 2011-06 , <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 740, Income Taxes	
ASU 2010-12 , <i>Accounting for Certain Tax Effects of the 2010 Health Care Reform Acts</i>	Effective immediately upon issuance on 4/14/2010.
ASC 805, Business Combinations	
ASU 2010-29 , <i>Disclosure of Supplementary Pro Forma Information for Business Combinations</i>	Effective for public entities prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 12/15/2010. Early application is permitted.
ASC 815, Derivatives and Hedging	
ASU 2010-11 , <i>Scope Exception Related to Embedded Credit Derivatives</i>	Effective for interim periods beginning after 6/15/2010. Early application permitted for the first interim period after 3/5/2010.

PRONOUNCEMENT	EFFECTIVE DATE
ASC 820, Fair Value Measurements and Disclosures	
ASU 2010-06 , <i>Improving Disclosures about Fair Value Measurements</i>	Effective for interim and annual periods beginning after 12/15/2009; except for the requirement to separately disclose amounts in the Level 3 rollforward on a gross basis, which is effective for interim and annual periods beginning after 12/15/2010. Early application is permitted.
ASU 2011-04 , <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 830, Foreign Currency Matters	
ASU 2010-19 , <i>Foreign Currency Issues: Multiple Foreign Currency Exchange Rates</i>	Effective upon SEC Staff Announcement made at the 3/18/2010 meeting of the FASB Emerging Issues Task Force.
ASC 855, Subsequent Events	
ASU 2010-09 , <i>Amendments to Certain Recognition and Disclosure Requirements</i>	Effective upon issuance in February, 2010, except that for conduit bond obligors the requirement to use the issued date is deferred until interim and annual periods ending after 6/15/2010.
ASC 860, Transfers and Servicing	
ASU 2011-03 , <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 924-605, Casinos-Revenue Recognition	
ASU 2010-16 , <i>Accruals for Casino Jackpot Liabilities</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning on or after 12/15/2010. The amendments should be applied prospectively with a cumulative-effect adjustment reflected in retained earnings. Early application is permitted. If an entity elects early adoption and the period of adoption is not the beginning of the entity's fiscal year, the entity should apply the amendments retrospectively from the beginning of the year of adoption.
ASC 932, Extractive Activities—Oil and Gas	
ASU 2010-14 , <i>Accounting for Extractive Activities – Oil & Gas</i>	Effective upon issuance on 4/20/2010.

PRONOUNCEMENT	EFFECTIVE DATE
ASC 944, Financial Services – Insurance	
ASU 2010-15 , <i>How Investments Held through Separate Accounts Affect an Insurer's Consolidation Analysis of Those Investments</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning after 12/15/2010. The amendments should be applied retrospectively to all prior periods upon the date of adoption. Early application is permitted.
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 2010-23 , <i>Measuring Charity Care for Disclosure</i>	Effective for fiscal years beginning after 12/15/2010. The amendments should be applied retrospectively to all prior periods presented. Early application is permitted.
ASU 2010-24 , <i>Presentation of Insurance Claims and Related Insurance Recoveries</i>	Effective for fiscal years, and interim periods within those years, beginning after 12/15/2010. A cumulative-effect adjustment should be recognized in opening retained earnings in the period of adoption if a difference exists between any liabilities and insurance receivables recorded as a result of applying the amendments. Early adoption and retrospective application are permitted.
ASU 2011-07 , <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 December 15, 2011, and interim periods within those fiscal years. For nonpublic entities, the Issue will be effective for fiscal years ending after December 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.
ASC 962, Plan Accounting-Defined Contribution Pension Plans	
ASU 2010-25 , <i>Reporting Loans to Participants by Defined Contribution Pension Plans</i>	Effective for fiscal years ending after 12/15/2010. The amendments should be applied retrospectively to all prior periods presented. Early adoption is permitted.
ASC 985-605, Software, Revenue Recognition	
ASU 2009-14 , <i>Certain Revenue Arrangements That Include Software Elements</i>	Effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after 6/15/2010. Early application is permitted.
Other	
ASU 2010-04 , <i>Accounting for Various Topics-Technical Corrections to SEC Paragraphs</i>	Effective immediately on issuance in January, 2010 for SEC registrants.

PRONOUNCEMENT	EFFECTIVE DATE
Other (continued)	
ASU 2010-21 , <i>Accounting for Technical Amendments to Various SEC Rules and Schedules Amendments to SEC Paragraphs Pursuant to Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies (SEC Update)</i>	Effective immediately on issuance in August, 2010 for SEC registrants.
ASU 2010-22 , <i>Accounting for Various Topics—Technical Corrections to SEC Paragraphs (SEC Update)</i>	Effective immediately on issuance in August, 2010 for SEC registrants.

▶ 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.

Upcoming Webinars

- **NEW!** Quarterly Financial Update - Q3 2011 - October 5, 2011
<http://www.bdo.com/acsense/events/Q32011.aspx>

Archives

- **NEW!** FCPA Series: Doing Business Abroad - Spotlight on Russia- September 26, 2011^a
<http://www.bdo.com/acsense/events/FCPARussia.aspx>
- **NEW!** Focus on Fraud - September 15, 2011^a
<http://www.bdo.com/acsense/events/FocusonFraud2011.aspx>
- **NEW!** Effective Audit Committees in the Ever Changing Marketplace - July 21, 2011
<http://www.bdo.com/acsense/events/EffectiveAuditCommittees.aspx>
- **NEW!** 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>

^a Self-study courses expected to become available in early to mid October 2011.

- 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>
- IFRS Project Update - December 15, 2010
<http://www.bdo.com/acsense/events/IFRSProjectUpdate.aspx>
- Internal Investigations - November 9, 2010
<http://www.bdo.com/acsense/events/InternalInvestigations.aspx>
- Quarterly Financial Update - Q3 2010 - October 8, 2010
<http://www.bdo.com/acsense/events/Q32010.aspx>
- Focus on Fraud - Lessons Learned - August 31, 2010
<http://www.bdo.com./acsense/events/Focus%20on%20Fraud%20-%20Lessons%20Learned.aspx>
- IFRS Share-Based Payments - August 19, 2010
<http://www.bdo.com./acsense/events/IFRS%20Share-Based%20Payments.aspx>
- Quarterly Financial Reporting Technical Update (Q2 2010) - June 25, 2010
http://www.bdo.com./acsense/events/Quarterly-Financial-Reporting-Update_June25.aspx
- SaaS Revenue Recognition - June 1, 2010
<http://www.bdo.com./acsense/events/SaaS-Revenue-Recognition-June01.aspx>
- Mergers & Acquisitions: Addressing Current Trends and Risks - May 20, 2010
<http://www.bdo.com./acsense/events/MergersAcquisitions-May20.aspx>
- IFRS Taxation - May 6, 2010
<http://www.bdo.com./acsense/events/IFRS-Taxation-May10.aspx>
- Quarterly Financial Reporting Technical Update (Q1 2010) - April 16, 2010
<http://www.bdo.com./acsense/events/q12010.aspx>
- Applying New Revenue Recognition Rules - March 16, 2010
<http://www.bdo.com/acsense/events/newrevenue.aspx>
- Compensation Risk - SEC's Enhanced Disclosure Requirements - February 18, 2010
<http://www.bdo.com/acsense/events/compensationrisk.aspx>
- IFRS vs. IFRS for SMEs - January 19, 2010
<http://www.bdo.com/acsense/events/IFRSvsIFRSforSMEs-Jan10.aspx>

NEW: 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/>

- Effective Audit Committees in the Ever Changing Marketplace (January 2011; <http://www.bdo.com/acsense/effective.aspx>)
- The BDO 600 - 2010-2011 Survey of Board Compensation Practices of 600 Mid-Market Public Companies (11/16/2010)

BDO FINANCIAL REPORTING LETTERS & FLASH REPORTS

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

- **NEW!** BDO Knows: Goodwill Impairment (9/28/2011)
- **NEW!** BDO Knows: Comprehensive Income Newsletter (8/23/2011)
- **UPDATED!** BDO Flash Reports - Flash reports are intended to highlight certain financial reporting developments in a timely and brief “flash” format.
- 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)
- SEC's Progress Report on Work Plan for Global Accounting Standards (11/12/2010)
- BDO Knows: Variable Interest Entities (9/1/10)
- BDO Knows: Complex Financial Instruments (6/1/10)
- SEC Releases Statement in Support of Convergence and Global Accounting Standards (3/4/10)
- Revised Revenue Rules May Change the Way You Do Business (2/25/10)

BDO IFRS RESOURCE CENTER

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

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

See also:

BDO Knows: IFRS - SEC's Progress Report on Work Plan for Global Accounting Standards accessible at:

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

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