

LETTER FROM THE FASB CHAIR

The FASB welcomed 2026 by making great progress on many priority issues that stakeholders identified during our 2025 agenda consultation. We also continued to make progress on our existing technical agenda and our ongoing post-implementation review of our credit standard.

2025 Agenda Consultation—Progress Update

During the quarter, we continued to evaluate the issues that stakeholders identified as part of our 2025 agenda consultation, focusing on a key question: what is the case for change? For each issue, the Board members apply their professional judgment evaluating that case for change by considering our technical agenda criteria:

- A clear and pervasive need to improve GAAP
- A feasible solution for which the expected benefits justify the costs
- A definable scope that the Board can execute.

On the basis of those discussions, the Board decided to add the following projects to our technical agenda:

- Definition of common control
- Indexation—debt and equity
- Accounting for commodities
- Targeted improvements to hedge accounting for interest rate risk and net foreign investments.

The Board also requested additional information on topics related to goodwill and consolidation before deciding whether they meet our criteria for a technical agenda project at this time.

We will continue to weigh the remaining issues against our agenda criteria, ensuring that our Board tackles the highest priority projects of our stakeholders that we can successfully complete in a timely manner. We look forward to working our way through all of the suggestions and ideas that our stakeholders took the time to put forward over the next few quarters.

Other Projects

The FASB voted to expose for public comment a proposal to address the discount rate used to measure the projected benefit obligation under Topic 715, Compensation—Retirement Benefits, for market-return cash balance plans. The proposal is based on a recommendation of our Emerging Issues Task Force (EITF). We expect to issue a proposed standard later this year.

The FASB also decided to issue a proposed standard on several narrow improvements to the FASB Accounting Standards Codification as part of our ongoing, omnibus Codification Improvements technical agenda project. Additionally, we continued to conduct outreach on our post-implementation review (PIR) of the credit losses standard, with a public roundtable set for May 12, 2026. We expect to issue a final PIR report by the end of the year.

We announced in Q1 that we will host a public roundtable on the implementation of our Disaggregation of Income Statement Expenses (DISE) guidance, which was issued in 2024. The purpose of the roundtable is to help the Board and staff gather additional feedback as we monitor implementation of the DISE guidance, and we expect to discuss preparers' adoption efforts and how investors are preparing for the upcoming changes. The FASB is seeking participation from a broad cross-section of stakeholders across all industries.

Advisory Groups

The FASB held productive first-quarter meetings with our advisory groups and welcomed new members to the Financial Accounting Standards Advisory Council (FASAC), the Investor Advisory Committee (IAC), the EITF, and the Not-for-Profit Advisory Committee (NAC).

In March, the PCC published its second [Annual Report](#) that summarizes its input to the Board and other accomplishments over the past year. The Financial Accounting Foundation also announced a [call for nominations](#) for two new members of the PCC with applications requested by April 30, 2026. If you or someone you know meets the qualifications, I encourage you to submit a nomination.

Our success in developing standards that address your priorities depends on your input. Thank you for sharing your views with us so that we can continue to serve our mission and our stakeholders.



Richard R. Jones
Chair, Financial Accounting Standards Board

TECHNICAL AGENDA AND OTHER PROJECTS

Technical Agenda

The FASB (the Board) undertakes technical agenda projects to establish and improve financial accounting and reporting standards. The Board evaluates potential standard-setting projects against certain criteria to determine whether a project should be added to the technical agenda. The Private Company Council (PCC) works with the Board in identifying, deliberating, and voting on improvements to financial reporting by private companies, subject to endorsement by the Board.

The following table summarizes the changes in the Board's technical agenda during the first quarter of 2026:

Number of Projects				
As of December 31	Added (removed)	Projects Completed	As of March 31	# EDs Issued
8	5	(0)	13	0

The Board added five projects to the technical agenda:

- Application of Topic 715 to Market-Return Cash Balance Plans
- Definition of Common Control
- Accounting for Commodities
- Targeted Improvements to Hedge Accounting for Interest Rate Risk and Net Foreign Investments
- Indexation—Debt and Equity.

The Board considered but decided not to add projects on the following topics to the technical agenda:

- Interaction of the variable interest entity (VIE) guidance and the accounting for sale and leaseback transactions
- Interaction of the consolidation guidance and the accounting for derecognition of nonfinancial assets
- Asset retirement obligations and environmental obligations
- Alternative funding arrangements (including research and development funding arrangements and royalty monetization arrangements)
- Credit losses on receivables from contracts with customers
- Multi-element software arrangements
- Partnership accounting
- Payments received from a vendor in the airline industry
- Personal financial statements.

A detailed listing of the projects on the Board's technical agenda as of the end of the quarter is included in the appendix.

The Board discussed the following projects on the technical agenda during the quarter:

Project	Board Meeting(s)	Summary of Discussions
Application of Topic 715 to Market-Return Cash Balance Plans	January 14	- Added a project to address the discount rate used to measure the projected benefit obligation under Topic 715 for market-return cash balance plans. - Consistent with the EITF's recommendation, decided to apply the amendments under this project to market-return cash balance plans that meet certain conditions and measure the benefit obligation for in-scope plans by setting the discount rate equal to the assumed interest crediting rate. - Decided to clarify that an entity would be required to use the assumed interest crediting rate as the discount rate in all circumstances for in-scope plans. - Decided that the guidance would be applied prospectively and that early adoption would be permitted. - Directed the staff to draft a proposed Accounting Standards Update (ASU) with a 60-day comment period.
Definition of Common Control	January 28	- Discussed stakeholder feedback related to defining the term <i>common control</i> in response to the 2025 Invitation to Comment, Agenda Consultation (2025 ITC). - Added a project to the technical agenda to clarify GAAP by providing a definition of the term <i>common control</i> based on existing practice for certain areas of the Codification.
Accounting for Commodities	February 4	Added a project to the technical agenda to address the accounting for certain tangible commodities inventories in response to feedback received on the 2025 ITC and previous stakeholder feedback.
Targeted Improvements to Hedge Accounting for Interest Rate Risk and Net Foreign Investments	February 25	- Added a project to make targeted improvements to hedge accounting to better reflect an entity's interest rate risk management activities in its financial statements, including the hedging of interest rate risk for held-to-maturity debt securities. - Decided that the guidance would be applied prospectively and that early adopted is permitted.

Project	Board Meeting(s)	Summary of Discussions
		Directed the staff to draft a proposed ASU with a 60-day comment period.
Accounting for Debt Exchanges	March 18	- Discussed recent feedback received on the proposed ASU. - Paused further deliberations on the project until the Board evaluates broader feedback received from the PCC and on the 2025 ITC.
Indexation—Debt and Equity	March 18	- Discussed stakeholder feedback, including feedback received on the 2025 ITC. - Added a project to the technical agenda to address the indexation guidance in Subtopic 815-40, Derivatives and Hedging—Contracts in Entity’s Own Equity, to (1) make the guidance less complex to apply and understand and (2) increase consistent interpretation and application of the guidance. - Decided to pursue an approach in which an instrument would be considered indexed to an entity’s own stock as long as the variables that affect the settlement amount are related to specified acceptable variables.
Codification Improvements (Evergreen)	March 25	- Discussed various Codification improvement issues that have been received from stakeholders. - Decided to make 22 clarifications and improvements, which are expected to provide clarification to the Codification without undue incremental costs to stakeholders. - Decided to (1) permit an entity to apply the proposed amendments either prospectively or retrospectively and to elect a transition approach on an issue-by-issue basis for all the proposed amendments (except for the proposed amendments to Subtopic 815-35, Derivatives and Hedging—Net Investment Hedges) and (2) require modified retrospective transition for the proposed amendments to Subtopic 815-35. - Directed the staff to draft a proposed ASU with a 75-day comment period.

Other Projects

In addition to projects on its technical agenda, the Board also has:

- Research Projects: Projects on the Board's research agenda are those that may be considered for the technical agenda at a future date as issues and potential alternative solutions are identified.
- PCC Projects: Projects on the PCC's agenda are intended to address issues identified by private company stakeholders. These projects provide alternatives or practical expedients within GAAP that meet the needs of users of private company financial statements while reducing cost and complexity where possible. The decisions reached by the PCC are subject to Board endorsement.
- EITF Projects: These projects result from the EITF's identification and discussion of narrow-scope improvements to timely address emerging issues. The EITF can recommend that the Board add a project to the FASB's technical agenda and address the issue using the EITF's recommended solution.
- Post-Implementation Review (PIR) Projects: These projects are aimed at evaluating whether standards that have been issued are achieving their objectives and whether there are areas of improvement that the Board should address.

The following table summarizes the changes in these projects during the first quarter of 2026:

	<u>Number of Projects</u>					# of Exposure Drafts or Invitations to Comment
	As of January 1	Added (removed)	Transferred	Final Documents Issued	As of March 31	
Research Projects	8	(1)	0	0	7	0
PCC Projects	0	0	0	0	0	0
EITF Projects	3	1	(1)	0	3	0
PIR Projects	1	0	0	0	1	0
Total	12	0	(1)	0	11	0

Research Projects: The Board continued to move forward on its research projects. The Board met on January 28 to discuss its research project on Consolidation for Business Entities and directed the staff to perform additional research to explore potential improvements to the variable interest entity guidance in response to stakeholder feedback that various areas of this guidance are complex and burdensome to apply. In light of the Accounting for Commodities project added to the technical agenda on February 4, the FASB chair removed the commodities project from the research agenda. Additionally, as part of the ongoing Agenda Consultation research project, the Board discussed 16 topics from the 2025 ITC during Q1 as part of its goal to discuss all of the agenda consultation topics by the end of summer in 2026. To date, the Board has discussed 21 topics from the ITC.

PCC Projects: The PCC met on March 3 and discussed Subjective Acceleration Clauses (SACs), Debt Modifications and Extinguishments and Troubled Debt Restructurings (TDRs), Leases, and Employee Stock Ownership Plans (ESOPs). The PCC recommended that the Board add a project to its technical agenda on how an entity should consider SACs in determining the classification of debt as a current or noncurrent liability in a classified balance sheet. The Board will meet in the coming months to determine whether to add this project to its technical agenda. The PCC did not add any new projects to own agenda as a result of the March 3 meeting.

EITF Projects: The EITF met on March 12 to discuss its project on mortgage servicing rights—recapture. At that meeting, the EITF recommended that the Board add a project to its technical agenda to clarify how an entity should consider recapture when accounting for mortgage servicing rights (MSRs). The Board will meet in the coming months to determine whether to add this project to its technical agenda. On March 12, the EITF also held a closed education session to discuss its project on the application of the normal-purchases-and-normal-sales scope exception in Topic 815 to electricity contracts. Additionally, the EITF agenda committee added a project to its agenda on consideration payable to a customer.

PIR Projects: The PIR process is an evaluation of whether a standard is achieving its objective by providing investors and other allocators of capital with relevant information in ways that justify the cost of providing it. It is an important quality-control mechanism built into the standard-setting process that begins after the issuance of select standards. During the PIR process, the Board solicits and considers diverse stakeholder input and other research to evaluate the standards that are issued and whether there are areas of improvement that the Board should address.

The FASB reports on the progress of PIR projects during its public meetings and reports regularly to the Standard-Setting Process Oversight Committee (SSPOC) of the FAF Board of Trustees. The final PIR reports are reviewed by the SSPOC and available on the FAF website.

Currently, the FASB is reviewing the following:

- [Credit losses](#).

For the Credit Losses PIR project, the staff is actively monitoring implementation efforts and ongoing application as well as performing outreach with investors, preparers, auditors, and regulators. The PIR project team is also actively engaging with the PCC to obtain feedback related to private companies.

The following table lists activities connected with PIR projects:

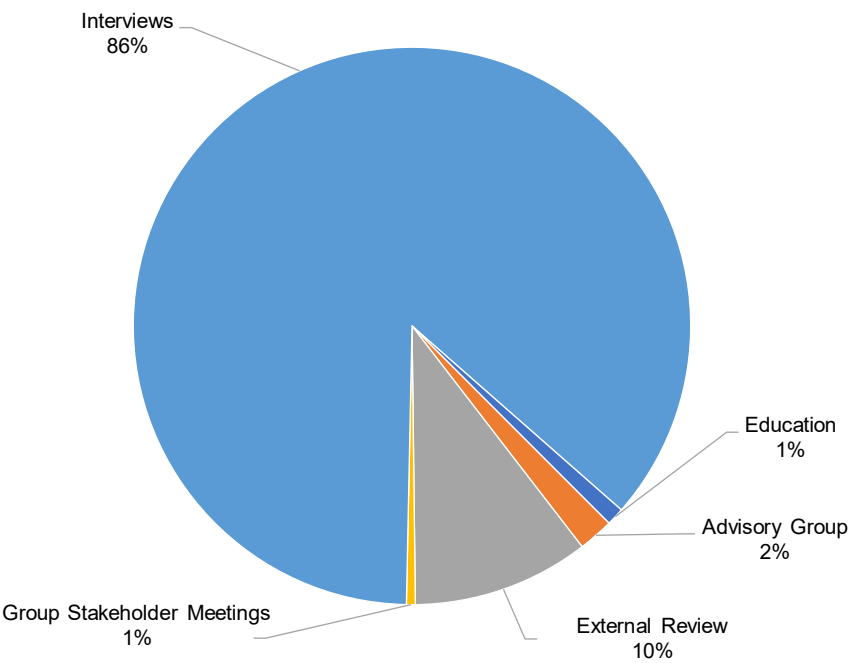
Project	Activities
Credit Losses	• Continued to monitor implementation of the current expected credit losses model (CECL) and engage with stakeholders on various implementation issues through technical inquiries, advisory group meetings, and speeches. • Met with the NAC in March to discuss the benefits and costs of Topic 326, Financial Instruments—Credit Losses. • Announced a public roundtable to be held on May 12, 2026.

ADVISORY COMMITTEE AND OTHER STAKEHOLDER ENGAGEMENT

Throughout its technical agenda and other projects, the Board and staff conduct extensive research and outreach to help understand the impact of issues and potential solutions on diverse stakeholder groups.

The following graphs and charts summarize how the Board and the staff heard from stakeholders and who they heard from:

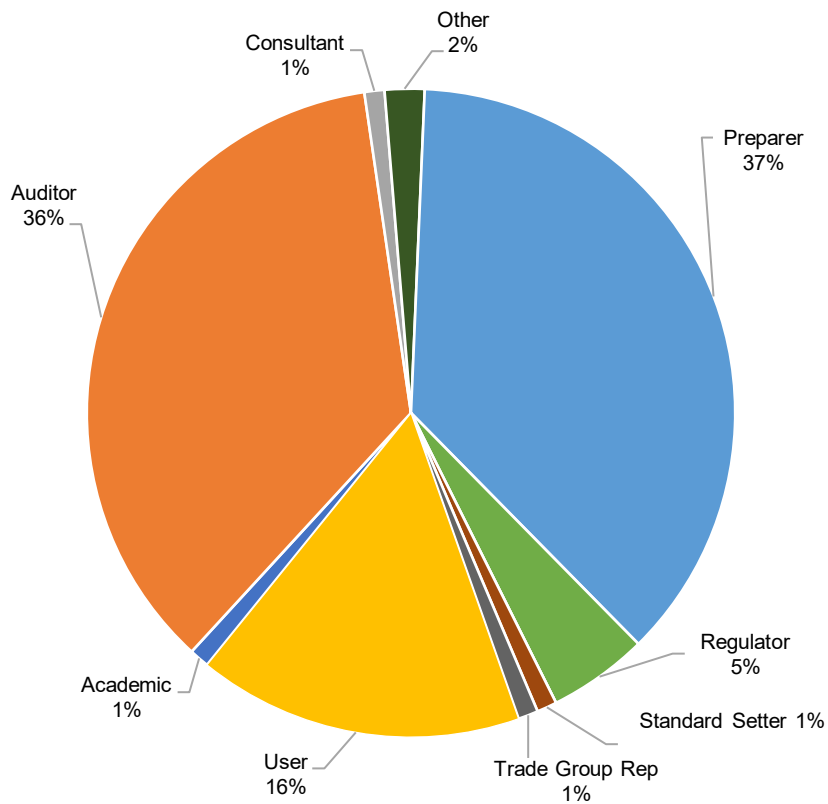
HOW DID WE HEAR FROM OUR STAKEHOLDERS IN Q1 2026?



Q1 Summary Statistics	
Type	Q1
# of Interviews	168
# Education Sessions	2
# of External Review Responses	20
# of Group Stakeholder Meetings	1
# of Advisory Group Meetings*	4

Note:
*Advisory group meetings include one meeting each with the PCC, FASAC, NAC, and EITF.

WHO DID WE ENGAGE WITH IN Q1 2026?



Types of Stakeholders	
Preparers	
Public Entities	83%
Private Entities	10%
Not-for-Profit Entities	7%
Auditors	
Big 4 Firms	70%
Other Global	18%
U.S. National	9%
U.S. Regional & Local	3%
Investors and Other Users	
Buy-side	19%
Sell-side	28%
Credit Rating Agencies, Private Equity, Lender, and Other Users	53%

The following table summarizes the main topics discussed in meetings with the FASB's advisory groups:

Group	Meeting Date(s)	Topics
PCC	March 3, 2026	• PCC Agenda Priorities— ESOPs • SACs and Related Disclosures • PCC Research Project—Debt Modifications and Extinguishments and TDRs • PCC Research Project—Leases • Private Company Survey and Academic Research on Private Company Financial Reporting
FASAC	March 10, 2026	• Highlights on Current Hot Topics • Agenda Consultation • FASB Agenda Decision Criteria • Current Macro Trends and Economic Outlook • Effects of the Use of Technology on Standard Setting
EITF	March 12, 2026	• Mortgage Servicing Rights—Recapture • Application of the Topic 815 Normal Purchases and Normal Sales Scope Exception to Electricity Contracts (closed educational session)
NAC	March 19, 2026	• Emerging Financial Reporting Issues in the NFP Sector • Agenda Consultation Focus on Topics from ITC and Stakeholder Feedback • Post-Implementation Review of Credit Losses Standard • Equity Method of Accounting: Targeted Improvements • Classification of Certain Digital Assets as Cash Equivalents • Application of Topic 715 to Market-Return Cash Balance Plans • PCC Research: SACs, Debt Modifications • Definition of Common Control

Members appointed to advisory groups in the quarter were:

- NAC: Rebecca Bloch, Richard Cole, Susan Eickhoff, Vincente Milianti, Dawn Stark, Amy West
- EITF: Todd Castagno
- IAC: Rhett Brown, Kate Konetzke, Larry Lee, Allen Puwalski

INTERNATIONAL ACTIVITIES

The FASB collaborates with other national standard setters and the IASB to help improve and align, where appropriate, standards across the globe. The groups monitor each other's decisions and share research and findings on projects of mutual interest. The following table details these activities during the quarter:

Activity	Meeting Date(s)
IASB/FASB Info Exchanges*	
FASB-IASB Chair Meeting	February 13
IFRS Accounting Standards Advisory Forum (ASAF) Meeting	March 30-31
Multilateral Activities	
IIF International Accounting and Reporting Forum	February 12
Bilateral Activities	
Canadian Accounting Standards Board (AcSB)	January 20
*Ongoing monitoring of implementation activities through regular meetings between the director, FASB staff, and the IASB technical director.	

LEGISLATIVE/REGULATORY OUTREACH

FASB members and staff participate in ongoing dialogue with members of Congress, regulators, and other Washington, DC stakeholders to understand and explain standard-setting matters that affect their constituents.

Legislative/ Regulatory Body	FASB Attendees
U.S. House of Representatives, Committee on Appropriations, Subcommittee on Financial Services and General Government, Majority Staff	Rich Jones
The FASB chair, FASB vice chair, and the director, FASB staff, also continue to meet regularly with the SEC commission and staff, including the chief accountant and other senior staff of the SEC.	

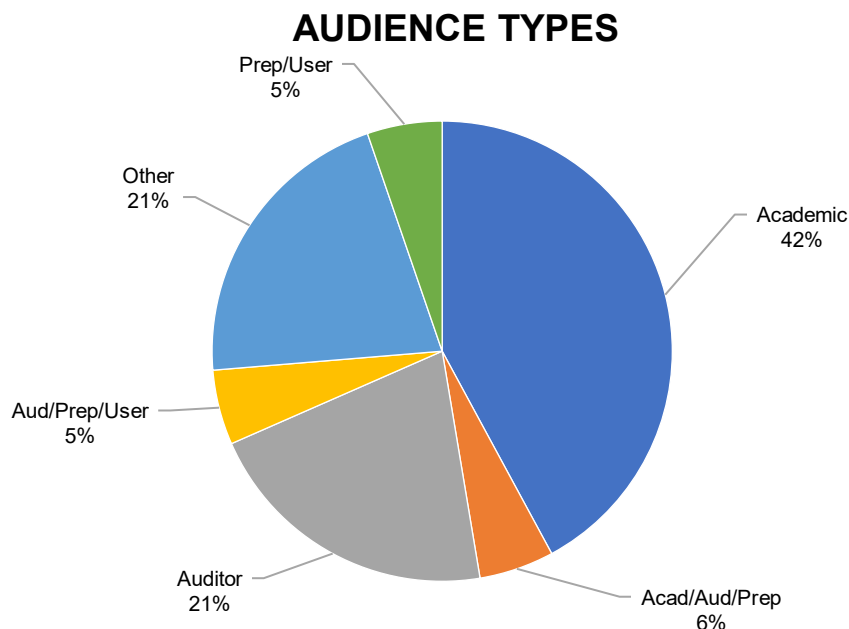
OTHER KEY COMMUNICATION ACTIVITIES

The FASB also continually communicates with a broad range of stakeholders through speaking engagements, media announcements, interviews, videos, and social media. The following tables and graphs detail the educational webinars and videos provided and summarize the speeches delivered during the quarter.

Communication Method	Event Name	Date
Video	PCC Quarterly Update	January 14, 2026

Speaker	2024 1Q	2025 1Q	2026 1Q
FASB Members	7	3	6
FASB Staff	17	14	14
PCC	0	0	0
Total	24	17	20

- A total of 20 FASB speakers presented at 19 events. 30% of speakers were FASB members and 70% were FASB staff.
- Staff speeches primarily relate to newly issued or broadly applicable recent guidance and periodic updates about FASB project developments.



Press Releases, Media Advisories, and Social Media

- The FASB issued 9 press releases, media advisories, meeting recaps, and stakeholder emails on a variety of topics, with accompanying social media.

Other Communications Activities and Education

- On January 6, Rich Jones spoke at the KPMG SEC Reviewing Partners Conference.
- PCC Chair Jere Shawver was interviewed by Accounting Today for a piece that was published online on March 12.
- On March 16, the FASB published the PCC's annual report.

XBRL ACTIVITIES

At the request of the SEC, the FASB develops and maintains the GAAP Financial Reporting Taxonomy (GRT) and the SEC Reporting Taxonomy (SRT) applicable to public issuers registered with the SEC. In addition, the FASB staff maintains and publishes annually the Data Quality Committee Rules Taxonomy (DQCRT).

Technical Activities

- On March 17, 2026, the SEC accepted the 2026 GRT (including the 2026 Employee Benefit Plan Taxonomy) and the 2026 SRT. In addition, the FASB finalized the 2026 DQCRT and 2026 Meta Model Relationships Taxonomy (MMT).
- The FASB staff:
 - Published as final (pending annual update) 2027 taxonomy improvements for:
 - Accounting Standards Update 2025-10—*Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*
 - Accounting Standards Update 2025-11—*Interim Reporting (Topic 270): Narrow-Scope Improvements*
 - Accounting Standards Update 2025-12—*Codification Improvements*.
 - Published the following final GAAP Taxonomy Implementation Guide for the 2026 Taxonomy:
 - *Disclosures about Offsetting Assets and Liabilities*
 - Performed research to support various Board projects.

Outreach Activities Supporting Board Initiatives

The Taxonomy staff performed outreach in support of Board initiatives in this quarter, which included the following:

- Hosted and participated in meetings of the FASB Taxonomy Advisory Group, XBRL US Data Quality Committee, XBRL US Academic Subcommittee, various XBRL International technical working groups, the IASB IFRS Taxonomy Consultative Group, the GASB Taxonomy Consultative Group, and the SEC Division of Economic and Risk Analysis (DERA) staff.

FASB/GASB INTERACTION

The FASB and the GASB regularly share knowledge and research, including meeting minutes and draft proposed and final standards, to support each other's work on similar standard-setting issues. The FASB and GASB directors met monthly to discuss their technical agenda projects and other matters of mutual interest, and the FASB and GASB chairs and their respective directors held their quarterly meeting to discuss technical issues and other matters of mutual interest.

Appendix—Technical Agenda and Other Projects

Revised March 31, 2026

PROJECTS	Next Milestone	Expected Date
Accounting for Commodities	Board deliberations	Ongoing
Accounting for Debt Exchanges	Final ASU	Ongoing
Accounting for Environmental Credit Programs	Final ASU	2Q 2026
Accounting for Transfers of Crypto Assets	Board deliberations	Ongoing
Application of Topic 715 to Market-Return Cash Balance Plans	Exposure Draft	2Q 2026
Classification of Certain Digital Assets as Cash Equivalents	Board deliberations	Ongoing
Codification Improvements (Evergreen)	Exposure Draft	3Q 2026
Definition of Common Control	Board deliberations	Ongoing
Equity Method of Accounting: Targeted Improvements	Board deliberations	Ongoing
Indexation—Debt and Equity	Board deliberations	Ongoing
Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock	Final ASU	2Q 2026
Statement of Cash Flows Targeted Improvements	Board deliberations	Ongoing
Targeted Improvements to Hedge Accounting for Interest Rate Risk and Net Foreign Investments	Exposure Draft	3Q 2026

RESEARCH PROJECTS
Accounting for and Disclosure of Intangibles
Accounting for Derivatives
Agenda Consultation
Consolidation for Business Entities
Financial Key Performance Indicators for Business Entities
Hedge Accounting
Statement of Cash Flows

EITF
Application of the Topic 815 Normal Purchase and Normal Sales Scope Exception to Electricity Contracts
Consideration Payable to a Customer
Mortgage Servicing Rights—Recapture

POST-IMPLEMENTATION PROJECTS
Credit Losses