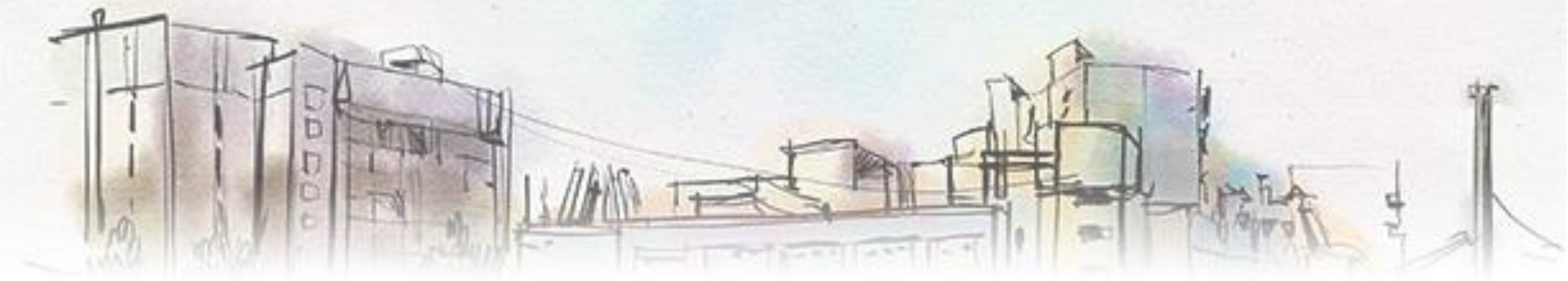
FASB FINANCIAL ACCOUNTING STANDARDS BOARD®

STANDARDS THAT WORK

FROM MAIN STREET TO WALL STREET

FASB Chair Report

October 1, 2024 – December 31, 2024



LETTER FROM THE FASB CHAIR

The last three months of 2024 saw us reach key milestones on many of the remaining technical projects to come out of our 2021 agenda consultation. We issued two final standards and several exposure documents in key areas with extended comment periods to allow for robust input. We completed our post-implementation review (PIR) of the revenue recognition standard. Finally, we launched an all-new agenda consultation that will ensure we continue to address stakeholder priorities when our current projects have made it over the finish line.

Final Standards

On November 4, we issued our final standard on disaggregation of income statement expenses (DISE), an investor-focused project that had been on the FASB agenda, in one form or other, for more than two decades. We thank all stakeholders whose input during the 2021 agenda consultation and other outreach helped us develop a practical way to provide investors with the additional expense detail they've told us is fundamental to their understanding of a company's performance. A few weeks later, the FASB issued a standard that improves the relevance and consistency in application of the induced conversion guidance in *FASB Accounting Standards Codification*® Subtopic 470-20, Debt—Debt with Conversion and Other Options.

Exposure Documents

The fourth quarter saw the FASB issue proposed standards on internal-use software costs, government grants, and environmental credits—all top stakeholder priorities identified during our last agenda consultation—as well as our proposal to improve interim reporting. We look forward to discussing feedback on these documents during the first half of 2025.

We also issued for public comment the first proposal from our newly reconstituted Emerging Issues Task Force (EITF) that would provide guidance for identifying the accounting acquirer in a business combination. We look forward to a full discussion about the feedback at a meeting in early 2025. We also exposed a recommendation of the Private Company Council (PCC) that would introduce a practical expedient and an accounting policy election for private companies and certain not-for-profit entities related to the application of the credit losses standard to current accounts receivable and current contract assets arising from revenue transactions.

We made progress on our research agenda by publishing two Invitations to Comment (ITCs) on financial key performance indicators (KPIs) and intangibles. An ITC is a staff document prepared at the direction of the FASB chair in which the Board does not express any preliminary views. Stakeholder responses to the ITCs will help inform the Board as we consider whether to add projects in these areas to our technical agenda and, if added, to determine the objective and scope of the projects.

We've taken steps to ensure our stakeholders have enough time to provide us with thoughtful feedback on all documents currently out for public comment. First, we made it clear that we welcome stakeholder feedback in any format—it can be a comment letter, an email, a submission through our electronic feedback form, or even a phone call with a member of the FASB staff. While not all stakeholders will be affected by all of the topics exposed, we took care to stagger comment deadlines and extend comment periods—some as long as 6 months, well beyond the standard 30-to-90 days. Finally, while comment deadlines are necessary, if stakeholders need more time, we will always accept submissions after the comment period officially ends.

Post-Implementation Review

We concluded our post-implementation review of the revenue recognition standard with a report that found that, while there are lessons to be learned, overall, most stakeholders agree that the standard's long-term benefits have outweighed the costs of applying it. The report also details our PIR process, which included outreach with more than 2,200 stakeholders from diverse backgrounds, key implementation support provided throughout the adoption of the revenue standard, and how we used what we learned to improve the standard and, more broadly, the standard-setting process. We will continue our reviews on the leases and credit losses standards and expect to issue a final report on leases by the end of next year.

New Agenda Consultation Project

We closed 2024 by launching a new agenda consultation project. We've already begun to discuss potential new priorities and directions with our advisory groups and conducted outreach with close to 200 stakeholders. We kicked off 2025 with an ITC that summarizes what we heard during these discussions while inviting stakeholders to react to our learnings or share something entirely new.

2024 saw the FASB deliver on our 2021 agenda consultation priorities, but our work isn't done yet. Now more than ever, we need your continued input to ensure that our proposed standards would be operable and effective in providing investors with the information they need to make capital allocation decisions in the most cost-effective manner possible and that our future standard-setting activities continue to address areas that our stakeholders deem to be most important.

On behalf of myself and my colleagues on the Board and staff, I thank you for your support of our mission in 2024. Your continued engagement in our process will allow us to continue to develop standards whose costs are worth their benefits. Here's to a successful 2025!

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 fourth quarter of 2024:

	Number of Projects				
	As of September 30	Added (removed)	Projects Completed	As of December 31	# EDs Issued
Recognition and measurement	10	2	(1)	11	5
Presentation or disclosure	3	2	(1)	4	2
Total	**13**	**4**	**(2)**	**15**	**7**

Two projects were completed through the issuance of a final Accounting Standards Update (ASU):

- *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*
- *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments.*

The Board added four projects to the technical agenda:

- Presentation of Contract Assets and Contract Liabilities for Construction Contractors (PCC)
- Credit Losses—Topic 606 Receivables (PCC)
- Accounting for Debt Exchanges
- Disaggregation—Income Statement Expenses: Clarifying the Effective Date.

The Board considered but decided not to add a project on the following topic to the technical agenda:

- Last-in, First-Out (LIFO) Inventory Costing Method.

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 issued the following proposed Accounting Standards Updates (ASUs):

- *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*

- *Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*
- *Interim Reporting (Topic 270): Narrow-Scope Improvements*
- *Government Grants (Topic 832): Accounting for Government Grants by Business Entities*
- *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-for-Profit Entities*
- *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*
- *Environmental Credits and Environmental Credit Obligations (Topic 818).*

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

Project	Board Meeting(s)	Summary of Discussions
Financial Instruments—Credit Losses (Topic 326)—Purchased Financial Assets	October 2	• Discussed issues related to the scope of the proposed amendments and decided to: ○ Affirm its decision to include held-to-maturity debt securities that are not beneficial interests in the scope of the gross-up approach ○ Recognize expected credit losses from off-balance-sheet credit exposures through other comprehensive income when applying the gross-up approach ○ Exclude contract assets and lease receivables from the scope of the gross-up approach and clarify that any initial allowance for credit losses for acquired contract assets and lease receivables should be recognized through the income statement ○ Exclude trade accounts receivable from the scope of the gross-up approach. • Discussed issues related to revolving credit arrangements and available-for-sale debt securities and directed the staff to perform additional research.
PCC Presentation of Contract Assets and Contract Liabilities for Construction Contractors	October 16	• Endorsed the PCC's decisions on the presentation of contract assets and contract liabilities for construction contractors: ○ To provide an alternative for private companies to present contract assets and contract liabilities on a gross basis on the statement of financial position

Project	Board Meeting(s)	Summary of Discussions
		○ That the scope of the presentation alternative be private construction companies within the scope of Topic 910, Contractors—Construction ○ To require disclosure when the presentation alternative has been used ○ To require a full retrospective transition method and related disclosures, with the ability to forgo a preferability assessment the first time the presentation alternative is used. • Directed the staff to draft a proposed ASU with a 45-day comment period. • Note: The PCC subsequently discussed this project at its meeting on December 17, 2024.
PCC Credit Losses—Topic 606 Receivables	October 16	• Endorsed the PCC's decisions on the application of Topic 326, Financial Instruments—Credit Losses, to current accounts receivable and current contract assets arising from revenue transactions: ○ That the scope of the new guidance would be current accounts receivable and current contract asset balances arising from transactions accounted for under Topic 606, Revenue from Contracts with Customers ○ To provide (1) a recognition and measurement practical expedient to assume that current economic conditions as of the balance sheet date will persist through the forecast period and (2) for entities that elect the practical expedient, an accounting policy election to consider subsequent cash collections in determining the estimate of expected credit losses ○ To require disclosure when the practical expedient and accounting policy election have been used ○ That the practical expedient and accounting policy election be applied prospectively, with the ability to forgo a preferability assessment the first time they are used. • Decided that the proposed solution would apply to private companies and not-for-profit (NFP) entities, excluding NFP entities that have issued, or are conduit bond obligors for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market.

Project	Board Meeting(s)	Summary of Discussions
		• Directed the staff to draft a proposed ASU with a 45-day comment period. (The proposed ASU was issued on December 3, with comments due January 17, 2025.)
Interim Reporting—Narrow-Scope Improvements, Accounting for Government Grants, and Accounting for Environmental Credit Programs	November 6	• Decided to extend the comment period on the proposed ASUs for certain projects to the following deadlines: ○ Interim Reporting—Narrow-Scope Improvements—March 31, 2025 ○ Accounting for Government Grants—March 31, 2025 ○ Accounting for Environmental Credit Programs—April 15, 2025.
Accounting for Debt Exchanges	November 20	• Added a project to address when certain debt exchange transactions with multiple creditors should be accounted for as a debt extinguishment and the issuance of new debt. • Consistent with the Emerging Issues Task Force's (EITF) recommendation, decided that a debt exchange transaction involving multiple creditors in the issuance of the new debt obligation would be accounted for as a debt extinguishment and the issuance of new debt when the following conditions are met: ○ The existing debt has been repaid in accordance with its original contractual terms or repurchased at market terms. ○ The new debt was issued at market terms following the issuer's normal marketing process for new debt issuances. • Decided that the proposed amendments would be applied prospectively and that early adoption would be permitted. • Directed the staff to draft a proposed ASU, with a comment period that will be the longer of (1) a comment period ending April 11, 2025, and (2) 30 days.
Disaggregation—Income Statement Expenses: Clarifying the Effective Date	November 20, December 18	• Decided to amend the effective date of ASU 2024-03 to clarify that public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. • Directed the staff to draft a proposed ASU with a 15-day comment period. (The proposed ASU was issued on November 25 with a 15-day comment period.)

Project	Board Meeting(s)	Summary of Discussions
		• Discussed feedback received on the proposed ASU and completed redeliberations, affirming the proposed amendments. • Directed the staff to draft a final ASU.

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.
- Private Company Council (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.
- Emerging Issues Task Force (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 fourth quarter of 2024:

	Number of Projects					
	As of September 30	Added (removed)	Transferred	Final Documents Issued	As of December 31	# of Exposure Drafts or Invitations to Comment
Research Projects	7				7	2
Private Company Council Projects	2		(2)		0	
Emerging Issues Task Force Projects	1		(1)		0	
Post-Implementation Review Projects	3			(1)	2	
Total	**13**	**0**	**(3)**	**(1)**	**9**	**2**

Research Projects: The Board continued to move forward on its research projects. An Invitation to Comment (ITC) was issued for each of the following research projects during the quarter: Financial Key Performance Indicators for Business Entities and Accounting for and Disclosure of Intangibles. An ITC for the Agenda Consultation project was issued in Q1 2025. Current research projects as of the end of the quarter are listed in the appendix.

PCC Projects: Two PCC projects, Credit Losses—Topic 606 Receivables and Presentation of Contract Assets and Contract Liabilities for Construction Contractors, were transferred to the Board's technical agenda upon the Board's endorsement of the decisions made by the PCC at its September 2024 meeting. These projects resulted from the PCC's agenda prioritization process and are intended to provide accounting alternatives or practical expedients for private companies. In December, a proposed ASU was issued for Credit Losses—Topic 606 Receivables, which is open for comment until January 17, 2025. The PCC discussed the project on Presentation of Contract Assets and Contract Liabilities for Construction Contractors at its meeting in December 2024.

EITF Projects: The EITF met on October 28 and discussed its project on issuance of new debt to repay old debt. At that meeting, the EITF recommended that the Board add a project to its technical agenda to clarify when a transaction with multiple creditors that involves the contemporaneous exchange of cash between the same debtor and creditor in connection with the issuance of a new debt obligation and satisfaction of an existing debt obligation by the debtor should be accounted for as a debt extinguishment and issuance of new debt. The project was transferred to the Board's technical agenda upon the Board's acceptance of the EITF's recommendation.

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
- Leases.

For both PIR projects, the staff is actively monitoring implementation efforts and ongoing application as well as performing outreach with investors, preparers, auditors, and regulators. Both PIR project teams are actively engaging with the PCC to see if any simplifications can be made for private companies.

The PIR project for Revenue Recognition was completed during 4Q and the final PIR report was issued on November 25, 2024. The report is the third stage of the PIR process; it is a culmination of previous reports and describes the activities conducted, including research and outreach conducted by the FASB staff, and actions taken to address any identified issues. Based on all the activities conducted under the Revenue PIR process, the staff concluded that the revenue recognition standard accomplished its stated purpose and that its benefits justify the implementation and ongoing compliance costs. Additionally, the Revenue PIR process provided timely feedback to improve the FASB's standard-setting process.

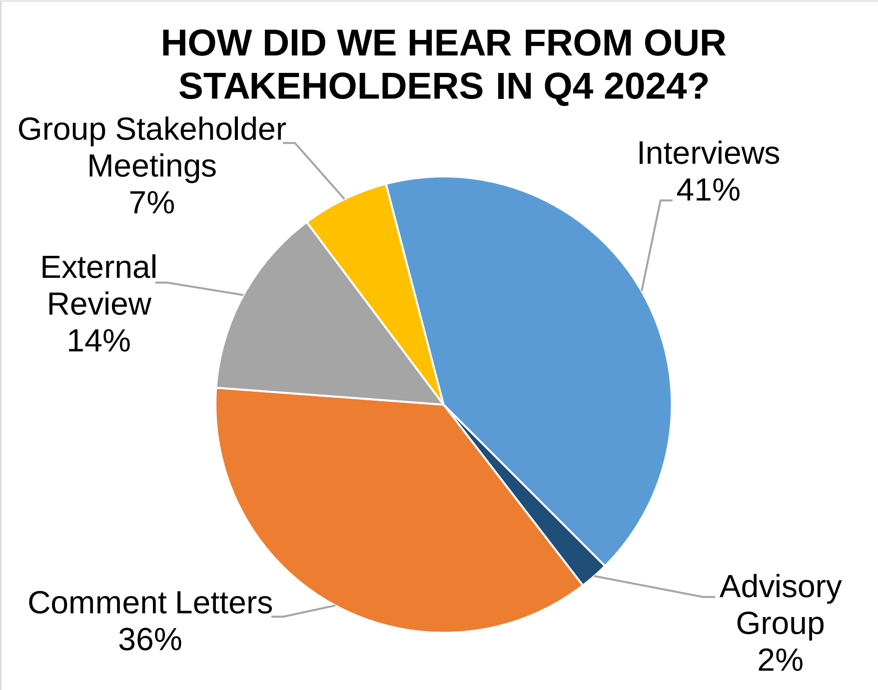
The following table lists activities connected with the individual projects:

Project	Activities
Credit Losses	• Continued to monitor implementation of CECL and engage with stakeholders on various implementation issues through technical inquiries, advisory group meetings, and speeches. • Continued redeliberations on the proposed ASU, *Financial Instruments—Credit Losses (Topic 326): Purchased Financial Assets*, including discussing this project at a Board meeting in October 2024. • Issued the proposed ASU, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-for-Profit Entities*, in December 2024.
Leases	• Continued to monitor implementation efforts and engage with stakeholders on various implementation issues, including discussion at advisory group meetings. • Developed a cost survey for nonpublic preparers to be launched in Q1 2025. • Developed investor outreach materials for public and nonpublic entity investor outreach to be conducted in first half of 2025. • Participated in two PCC Working Group meetings and developed outreach materials for discussion with private company preparers to determine areas of difficulty with applying Topic 842; that outreach commenced in December 2024.
Revenue Recognition (Completed)	• Concluded the PIR process and issued the final Revenue PIR report in November 2024.

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.

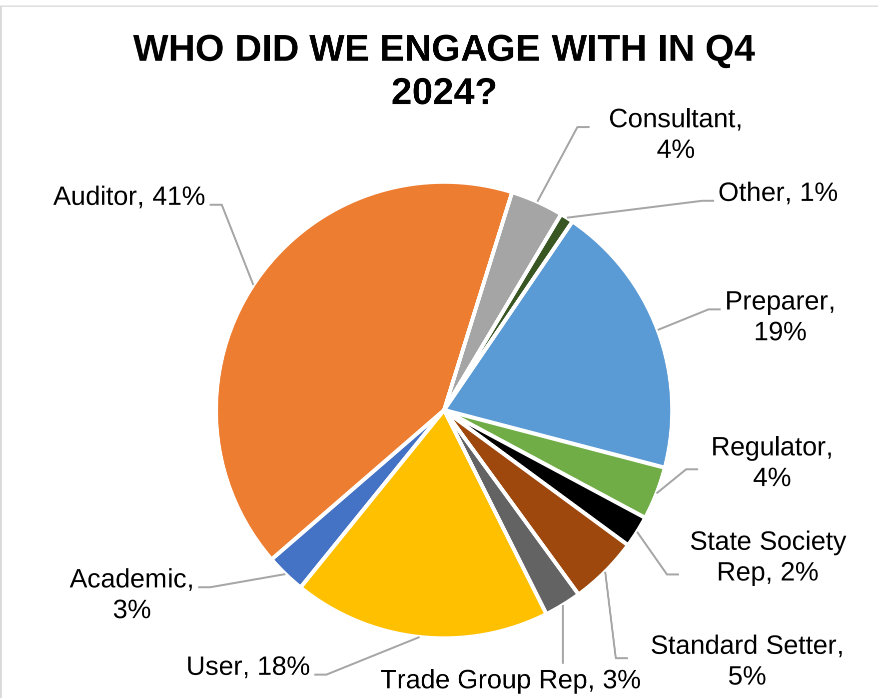
The following graphs and charts summarize how the Board and staff heard from stakeholders and who they heard from.



Q4 Summary Statistics		YTD
# of Interviews	101	412
# of Comment Letters	89	130
# of External Review Responses	33	89
# of Group Stakeholder Meetings	16	43
# of Advisory Group Meetings*	5	16

Notes:

**Advisory group meetings include one meeting each with EITF, IAC, SBAC, FASAC, and PCC.*



Types of Stakeholders	
Preparers	
Public Entities	73%
Private Entities	26%
Not-for-Profit Entities	1%
Auditors	
Big 4 Firms	64%
Other Global	17%
U.S. National	14%
U.S. Regional & Local	5%
Investors and Other Users	
Buy-side	29%
Sell-side	33%
Credit Rating Agencies, Private Equity, Lender, and Other Users	38%

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

Group	Meeting Date(s)	Meeting Type	Topics
EITF	October 28, 2024	Public	• Issuance of New Debt to Repay Old Debt
IAC	November 7, 2024	Public	• Agenda Consultation
SBAC	November 21, 2024	Public	• Share-Based Consideration Payable to a Customer • Financial Key Performance Indicators for Business Entities • Interim Reporting—Narrow-Scope Improvements • Determining the Acquirer in the Acquisition of a VIE • Issuance of New Debt to Repay Old Debt • Credit Losses—Topic 606 Receivables (PCC)
FASAC	December 5, 2024	Public	• FASB Interpretive Process and the EITF • Financial Key Performance Indicators for Business Entities • PIR Process
PCC	December 16-17, 2024	Public	• Accounting for Government Grants • Accounting for and Disclosure of Intangible Assets • Financial Key Performance Indicators for Business Entities • PCC Agenda Priorities • Debt Modifications and Extinguishments • PCC Research Project—Leases and FASB Leases Post-Implementation Review Project • Credit Losses—Topic 606 Receivables • PCC Project—Presentation of Contract Assets and Contract Liabilities for Construction Contractors

Members appointed to advisory groups in the quarter were:

- Financial Accounting Standards Advisory Council (FASAC): Yoni Engelhart, Stacy Harrington, Joseph Holmes, Eric Johnson, W. Howard Morris, Susanne Skaggs

- Investor Advisory Committee (IAC): Alex Barros, Clinton Chang

- Private Company Council (PCC): Autumn Hindman.

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*	
Joint FASB-IASB Educational Meeting	October 11
IASB Research Forum	November 4-5
IFRS Accounting Standards Advisory Forum (ASAF) Meeting	December 5-7
FASB-IASB Chair Meeting	December 13
Multilateral Activities	
Multi-Lateral Network (MLN) Meeting	October 15 December 13
Institute of International Finance (IIF) International Accounting and Reporting Forum	November 12
*Ongoing monitoring of implementation activities through biweekly meetings between the FASB technical director 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. The FASB chair and the FASB technical director also continue to meet regularly with the U.S. Securities and Exchange Commission's (SEC) chief accountant and other senior staff of the SEC.

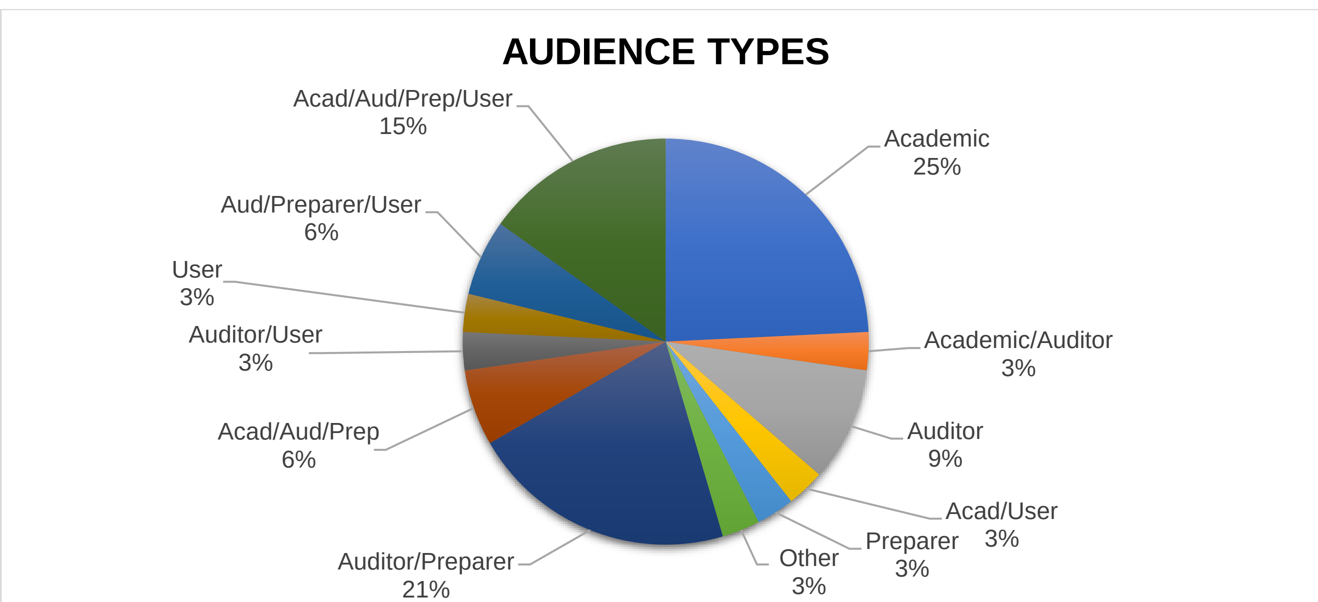
OTHER KEY COMMUNICATION ACTIVITIES

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	New FASB Standard: Disaggregation of Income Statement Expenses	November 4, 2024
Video	DISE In Depth	November 4, 2024
Webinar	Governmental and Not-for-Profit Accounting Webcast for Academics (jointly with GASB)	November 8, 2024
Webinar	FASB Update for Private Companies and Not-for-Profit Organizations	December 12, 2024

Speech Activity			
Speaker	2022 4Q	2023 4Q	2024 4Q
FASB members	12	8	12
FASB staff	27	23	26
PCC members	0	0	0
Total	**39**	**31**	**38**

- *A total of 38 FASB speakers presented at 33 events. 32% of speakers were FASB members and 68% were FASB staff.*
- *Staff speeches primarily relate to newly issued or broadly applicable recent guidance and periodic updates about FASB project developments.*



<u>Press Releases, Media Advisories, and Social Media</u>

- The FASB issued 23 press releases, media advisories, meeting recaps, and stakeholder emails on a variety of topics, with accompanying social media.

Other Communications Activities and Education

- On October 10, Rich Jones participated in a 50-minute interview with Tim Gearty of Becker Professional Education, a leading provider for training for the CPA exam, for accounting students at colleges and universities, and for CPE for accountants in industry and public accounting.
- On November 1, FASB Member Fred Cannon joined members of the FASB staff for five media interviews about the FASB's new ASU on Disaggregation of Income Statement Expenses, resulting in coverage by the Wall Street Journal, Bloomberg BNA, Thomson Reuters Accounting and Compliance Alert, CFO Dive, and Accounting Today.
- On November 12, Rich Jones and Jackson Day participated in the FASB priorities panel moderated by Alice Jolla of Microsoft as part of the virtual FEI Corporate Financial Reporting Insights Conference.
- On December 9, Rich Jones, Jackson Day, and Nellie Debbeler presented the FASB Update at the AICPA & CIMA Conference on Current SEC and PCAOB Developments in Washington, DC.
- On December 13 and 16, Rich Jones participated in two separate end-of-year interviews with Jorja Siemons of Bloomberg BNA and Mark Maurer of the Wall Street Journal CFO Journal, respectively, to discuss the FASB's 2024 progress and 2025 priorities.

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

- The FASB staff:
    - Made available:
        - The final 2025 GRT (pending SEC acceptance), which included an Employee Benefit Plan Taxonomy (EBPT) and the 2025 SRT
        - The 2025 DQCRT to aid constituents in complying with the Data Quality Committee Rules published by XBRL US as validation checks for XBRL filings with the SEC
        - The 2025 GAAP Meta Model Relationships Taxonomy (MMT) to help preparers identify the proper elements for tagging their filings and assist in the consumption of data.
    - Issued for comment:
        - Proposed changes to the 2025 GRT, the 2025 EBPT (which is included in the 2025 GRT), and the 2025 GRT Reference Project along with related release notes
        - Proposed changes to the 2025 DQCRT and related release notes
        - Proposed changes to the 2025 MMT and related release notes.
    - Published proposed taxonomy improvements for:

        - Proposed Accounting Standards Update—*Derivatives and Hedging (Topic 815): Hedge Accounting Improvements*
        - Proposed Accounting Standards Update—*Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*
        - Proposed Accounting Standards Update—*Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*
        - Proposed Accounting Standards Update—*Interim Reporting (Topic 270): Narrow-Scope Improvements*
        - Proposed Accounting Standards Update—*Government Grants (Topic 832): Accounting for Government Grants by Business Entities*
        - Proposed Accounting Standards Update—*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*
        - Proposed Accounting Standards Update—*Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-for-Profit Entities*
        - Proposed Accounting Standards Update—*Environmental Credits and Environmental Credit Obligations (Topic 818).*
    - Published as final (pending annual update) taxonomy improvements for:
        - ASU 2024-03—*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*
        - ASU 2023-04—*Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*.
    - Published the following proposed GAAP Taxonomy Implementation Guide for the 2024 Taxonomy:
        - Boolean, Fixed List, and Extensible Enumeration Elements.
    - Performed research to support various Board projects.

<u>Outreach Activities Supporting Board Initiatives</u>

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 (including Taxonomy staff chairing the Entity Specific Disclosure Task Force), the IASB IFRS

Taxonomy Consultative Group, the UK Financial Reporting Council (FRC), 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 December 31, 2024

PROJECTS	Next Milestone	Expected Date
Accounting for and Disclosure of Software Costs	Exposure Draft	Comments Due January 27, 2025
Accounting for Debt Exchanges	Exposure Draft	1Q 2025
Accounting for Environmental Credit Programs	Exposure Draft	Comments Due April 15, 2025
Accounting for Government Grants	Exposure Draft	Comments Due March 31, 2025
Codification Improvements (Evergreen)	Exposure Draft	1Q 2025
Credit Losses—Topic 606 Receivables (PCC)	Exposure Draft	Comments Due January 17, 2025
Determining the Acquirer in the Acquisition of a VIE	Board redeliberations	Ongoing
Disaggregation—Income Statement Expenses: Clarifying the Effective Date	Final ASU	1Q 2025
Financial Instruments—Credit Losses (Topic 326)—Purchased Financial Assets	Board redeliberations	Ongoing
Interim Reporting—Narrow-Scope Improvements	Exposure Draft	Comments Due March 31, 2025
Presentation of Contract Assets and Contract Liabilities for Construction Contractors (PCC)	Exposure Draft	1Q 2025
Share-Based Consideration Payable to a Customer	Board redeliberations	Ongoing
Statement of Cash Flows Targeted Improvements	Board deliberations	Ongoing
Topic 815—Derivatives Scope Refinements	Board redeliberations	Ongoing
Topic 815—Hedge Accounting Improvements	Board redeliberations	Ongoing

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

POST-IMPLEMENTATION PROJECTS
Credit Losses
Leases