



Summary of Recent Accounting Developments Q1 2021

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First Quarter 2021

CNM Publications

- SEC Approves NYSE Proposal to Permit Primary Offerings at Time of Initial Direct Listing

New Accounting Standards

- ASU No. 2021-03, Intangibles—Goodwill and Other (Topic 350), Accounting Alternative for Evaluating Triggering Events¹
 - Allows private companies and not-for-profit entities to perform the goodwill impairment triggering event evaluation as of the end of the (interim or annual) reporting period.
 - An entity that elects this alternative is not required to monitor for goodwill impairment triggering events during the reporting period.
 - An entity that performs its annual impairment test as of a date other than the annual reporting date should perform a triggering event evaluation only as of the end of the reporting period.
 - Includes an unconditional one-time option for entities to adopt the alternative prospectively after its effective date without assessing preferability under Topic 250, Accounting Changes and Error Corrections.
- ASU No. 2021-02, Franchisors—Revenue from Contracts with Customers (Subtopic 952-606)²
 - Permits franchisors that are not public business entities to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in a predefined list within the guidance.
 - Permits an accounting policy election to recognize the pre-opening services as a single performance obligation.
- ASU No. 2021-01, Reference Rate Reform (Topic 848), Scope
 - The amendments in this ASU clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition.³

Big Firm Accounting Guides – new or revised

- PwC
 - Domestic SPAC mergers—financial reporting and accounting considerations (March 2021)
 - Financing transactions (February 2021)
 - Revenue from contracts with customers (January 2021)
 - Reference rate reform (January 2021)
 - Derivatives and hedging (November 2020)
 - Financial statement presentation (November 2020)

¹ The amendments in this Update are effective on a prospective basis for fiscal years beginning after December 15, 2019. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance as of March 30, 2021. An entity should not retroactively adopt the amendments in this Update for interim financial statements already issued in the year of adoption.

² If an entity has already adopted ASC 606, the amendments in this Update are effective in interim and annual periods beginning after December 15, 2020. Early application is permitted. For those entities, this guidance should be applied retrospectively to the date Topic 606 was adopted.

³ The amendments in this Update are effective immediately for all entities.

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- KPMG
 - Equity method of accounting (March 2021)
 - Consolidation Handbook (March 2021)
 - Statement of Cash Flows Handbook (March 2021)
 - Revenue: Real estate Q&As (February 2021)
 - Going Concern Handbook (January 2021)
 - Discontinued Operations and Held-for-Sale Disposal Groups Handbook (January 2021)
 - Credit Impairment Handbook (December 2020)
- EY
 - Financial Reporting Developments, Credit impairment under ASC 326 (January 2021)
 - SEC Financial Reporting Series, Pro forma financial information (January 2021)
 - SEC Financial Reporting Series, SEC quarterly reports—Form 10-Q (January 2021)
- Deloitte
 - Life Sciences Industry Accounting Guide (March 2021)
 - Health Tech Industry Accounting Guide (March 2021)
- BDO
 - Complex Financial Instruments Practice Aid—Sixth Edition (February 2021)

Other Guidance

- Consolidated Appropriations Act, 2021
 - Extends the elective deferral of CECL to the earlier of the first day of a company's fiscal year that begins after the date the COVID-19 national emergency comes to an end; and January 1, 2022.
 - Extends the election to not apply TDR accounting to certain COVID-19 related loan modifications to the earlier of (i) 60 days following the end of the COVID-19 national emergency and (ii) January 1, 2022.
- SEC, Division of Corporation Finance, CF Disclosure Guidance: Topic No. 11, Special Purpose Acquisition Companies (December 2020)
- SEC amendments to Regulation S-K to modernize the MD&A reporting requirements and other reporting requirements will be effective starting February 10, 2021.
 - The amendments can be applied to filings after that date.



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