

New Accounting Standards Upcoming Effective Dates for Public and Private Companies

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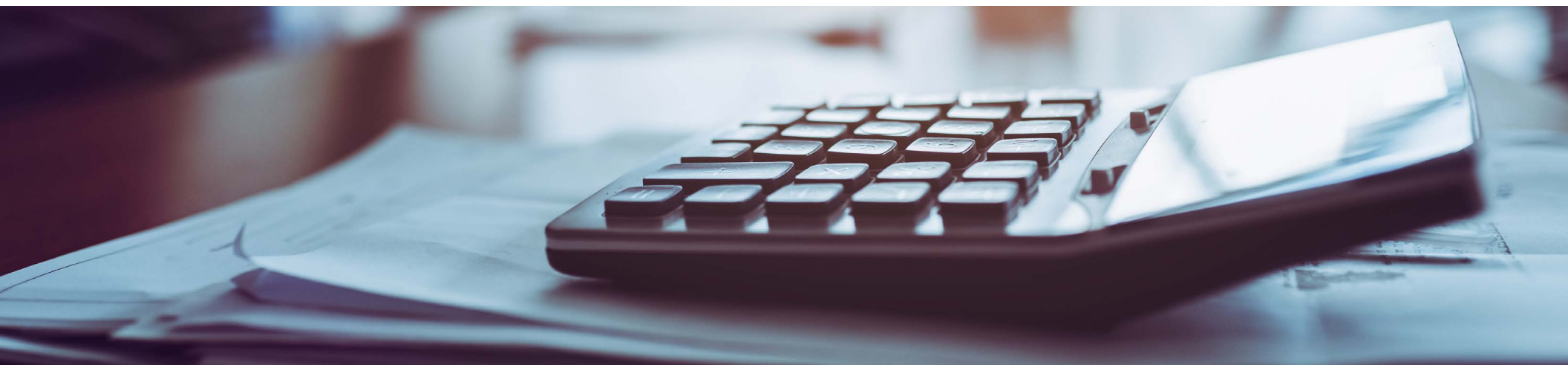
This publication summarizes the new accounting standards with mandatory¹ effective dates in the first quarter of 2025 for public entities, as well as new standards that take effect in annual 2024 financial statements for nonpublic entities. We have also included links to BDO's guidance on each pronouncement as applicable.

In the next filing season, calendar year-end public entities will prepare their annual 2024 financial statements, followed closely by their March 31, 2025, first quarter reports. Under SAB 74, entities will disclose in their 2024 annual filings the expected impact of adopting the FASB's new standards on their financial statements. Standards issued after this publication's date are unlikely to affect first-quarter financial statements, but entities should consider them in preparing SAB 74 disclosures. For many public entities, the most significant changes will result from adopting the new segment reporting and income tax disclosure requirements.

On a similar timeline, calendar year-end nonpublic entities will prepare their annual 2024 financial statements reflecting standards that took effect in 2024. Nonpublic entities that report on a calendar year adopt the changes to accounting for convertible instruments and contracts in an entity's own equity effective as of the year-end reporting date of December 31, 2024, which may require significant effort.

Early adoption is generally permitted for all standards summarized herein, but each ASU has specific transition guidance, and early adoption may have been limited to certain periods or circumstances. Please refer to BDO's publications listed below and our overview, [Accounting for Changes and Error Corrections](#) for more information.

¹ Standards that become effective later but that can be early adopted currently are excluded.



ACCOUNTING STANDARDS UPDATES EFFECTIVE FOR CALENDAR-YEAR PUBLIC ENTITIES AS OF JANUARY 1, 2025

PRONOUNCEMENT	EFFECTIVE DATE	BDO BULLETIN
ASC 280, Segment Reporting		
ASU 2023-07 , Improvements to Reportable Segment Disclosures	Effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024.	BDO Knows: New Segment Reporting Disclosures
ASC 350-60, Crypto Assets		
ASU 2023-08 , Accounting for and Disclosure of Crypto Assets	Effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years.	FASB Issues New Accounting Standard for Certain Crypto Assets
ASC 718, Compensation, Stock Compensation		
ASU 2024-01 , Scope Application of Profits Interest and Similar Awards	Effective for annual periods beginning after December 15, 2024, and interim periods within those annual periods.	FASB Clarifies Scope Application of Profits Interest and Similar Awards
ASC 740, Income Taxes		
ASU 2023-09 , Improvements to Income Tax Disclosures	Effective for annual periods beginning after December 15, 2024	FASB Issues Final ASU to Improve Income Tax Disclosures
ASC 805-60, Business Combinations – Joint Venture Formations		
ASU 2023-05 , Recognition and Initial Measurement	Effective for joint ventures formed on or after January 1, 2025	Accounting for Business Combinations (ASC 805)

ACCOUNTING STANDARDS UPDATES EFFECTIVE FOR CALENDAR-YEAR NONPUBLIC ENTITIES AS OF JANUARY 1, 2024

PRONOUNCEMENT	EFFECTIVE DATE	BDO BULLETIN
ASC 742, Leases		
ASU 2023-01 , <i>Common Control Arrangements</i>	Effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years.	FASB Addresses Lease Accounting Issues Associated With Common Control Arrangements Accounting for Leases Under ASC 842
ASC 405-50, Liabilities Supplier Finance Programs		
ASU 2022-04 , <i>Disclosure of Supplier Finance Program Obligations</i>	Amendment requiring rollforward information is effective for fiscal years beginning after December 15, 2023. All remaining amendments in this ASU should already be in effect.	ASU 2022-04 Bulletin
ASC 815, Derivatives and Hedging		
ASU 2022-01 , <i>Fair Value Hedging—Portfolio Layer Method</i>	Effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years.	Fair Value Hedging – Portfolio Layer Method
ASC 805, Business Combinations		
ASU 2021-08 , <i>Accounting for Contract Assets and Contract Liabilities from Contracts with Customers</i>	Effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years.	FASB Flash Report – November 2021 Accounting for Business Combinations (ASC 805)

ACCOUNTING STANDARDS UPDATES EFFECTIVE FOR CALENDAR-YEAR NONPUBLIC ENTITIES AS OF JANUARY 1, 2024

PRONOUNCEMENT	EFFECTIVE DATE	BDO BULLETIN
<p>ASC 470-20, Debt with Conversion and Other Options</p> <p>ASC 815-40, Derivatives and Hedging-Contracts in Entity's Own Equity</p>	<p>Effective for fiscal years starting after December 15, 2023, including interim periods within those fiscal years.</p>	<p>ASU 2020-06 Bulletin</p> <p>Understanding Complex Financial Instruments</p>
<p>ASC 944, Financial Services—Insurance</p>	<p>Effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024.</p>	<p>FASB Improves Accounting for Long-Duration Contracts</p>

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