



**Board Meeting Handout**

**Going Concern**

**January 31, 2013**

**PURPOSE AND BACKGROUND**

1. On November 7, 2012, the Board decided to introduce a new financial reporting model dealing with an entity's assessment of going concern and related disclosures. The staff has analyzed the remaining issues related to the new reporting model for the Board's consideration.
2. The following is a summary of the Board's tentative decisions reached to date:
  - (a) At each reporting period (including interim periods), management would assess an entity's potential inability to continue as a going concern and the need for related disclosures. In doing so, management would consider the likelihood of an entity's potential inability to meet its obligations as they become due for a reasonable period of time.
  - (b) Management would start providing disclosures in the financial statements when existing events or conditions indicate it is *more likely than not* (MLTN) that an entity may be unable to meet its obligations within a reasonable period of time from the balance sheet date. When assessing the need for disclosures, management would not consider the mitigating effect of its plans that are outside the ordinary course of business.

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The staff prepares Board meeting handouts to facilitate the audience's understanding of the issues to be addressed at the Board meeting. This material is presented for discussion purposes only; it is not intended to reflect the views of the FASB or its staff. Official positions of the FASB are determined only after extensive due process and deliberations.

- (c) Management would assert in the financial statements that there is *substantial doubt* about an entity's ability to continue as a going concern when the likelihood of the entity's inability to meet its obligations within a reasonable period of time reaches probable. In evaluating the need for this assertion, management would consider the effect of *all* of management's plans.
- (d) Management would consider existing events or conditions that may result in an entity's inability to meet its obligations within a reasonable period of time. Reasonable period of time would represent 12 months from the financial statement (period end) date. In addition, the assessment would consider the effect of existing events or conditions that are *probable* in resulting in an entity's inability to meet its obligations beyond the initial 12 months. Reasonable period of time would be limited to a practical amount of time in which the future effect of existing events or conditions can be identified, not to exceed a period of 24 months from the period end date.

### **REMAINING ISSUES FOR CONSIDERATION**

- 3. The key remaining issues relating to the new going concern reporting model are as follows:
  - (a) *Additional analysis of the MLTN threshold:* While the Board agreed to require disclosures at the MLTN threshold, certain Board members expressed their preferences for a less precise likelihood measure such that disclosures would be required when the assessed likelihood is within a range approximating MLTN. The staff has presented three alternatives for the Board's consideration.

- (b) *Consideration of management's plans in assessing the need for disclosures:* An important element in the new going concern reporting model is the need to distinguish management's plans that are outside the ordinary course of business from other plans. The staff has analyzed this issue and provided a recommendation for the Board's consideration.
- (c) *Nature and extent of disclosures and interaction with management discussion and analysis (MD&A):* When an entity meets the disclosure threshold, management would start including information in the financial statements about the entity's financial difficulties. The staff has analyzed the specific information that should be required in the financial statements and how that information would interact with similar information disclosed in the MD&A.
- (d) *Nonpublic entity considerations:* Currently, auditing standards treat public and private entity audits similarly with regards to the assessment of an entity's ability to continue as a concern and the disclosures in financial statements. The staff has examined the issue of whether nonpublic entities should have different requirements under the new reporting.

**More-likely-than-not threshold**

- 4. Some believe that the MLTN threshold requires a level of precision that is not operable. For example, in close-call situations, disclosures may be omitted if management's estimate of the likelihood is slightly less than 50 percent. The staff believes that this concern may be reduced with the introduction of a range (for example, 40 to 60 percent) but not eliminated. This is because any threshold indexed to a likelihood percentage, whether within a range or at a precise point, would have close-call situations.
- 5. The staff believes that the new standard should clarify that MLTN is a benchmark for starting disclosures and not a brightline threshold. The standard also should utilize example indicators to supplement the likelihood-based principle (MLTN).

This approach is similar to the recently simplified goodwill impairment guidance in Accounting Standards Update No. 2011-08, *Intangibles—Goodwill and Other (Topic 350): Testing Goodwill for Impairment*.

6. The staff has identified three alternative ways to define the disclosure threshold.

**Alternative A—Use the Term Near (or Approximately) MLTN**

7. Disclosures are required when existing events or conditions indicate that it is *near (or approximately) more likely than not* that the entity may be unable to meet its obligations within a reasonable period of time from the balance sheet date.

**Alternative B—Use the Term MLTN with a Caveat**

8. Disclosures are required when existing events or conditions indicate that it is *more likely than not* that an entity may be unable to meet its obligations within a reasonable period of time from the balance sheet date.
9. More likely than not should be viewed as an approximate benchmark for starting disclosures and not as a brightline threshold. Assessing an entity's ability to continue as a concern is inherently judgmental and imprecise; accordingly, the need for disclosures should be determined not based on a single likelihood estimate, but rather on a reasonable range of likelihood scenarios.

**Alternative C—Use the Term MLTN with Caveat and Example Indicators**

10. Disclosures are required when existing events or conditions indicate it is *more likely than not* that an entity may be unable to meet its obligations within a reasonable period of time from the balance sheet date.
11. More likely than not should be viewed as an approximate benchmark for starting disclosures and not as a brightline threshold. Assessing an entity's ability to continue as a concern is inherently judgmental and imprecise; accordingly, the need for disclosures should be determined not based on a single likelihood estimate, but rather on a reasonable range of likelihood scenarios.

12. In evaluating whether it is more likely than not that an entity may be unable to meet its obligations, the entity should assess all relevant events and conditions in the aggregate. Examples of such events and conditions<sup>1</sup> include the following:
- (a) Negative trends, for example, recurring operating losses, working capital deficiencies, negative cash flows from operations, and adverse key financial ratios
  - (b) Other indications of possible financial difficulties, for example, default on loan or similar agreements, arrearages in dividends, denial of usual trade credit from supplier, restructuring of debt, noncompliance with statutory capital requirements, and a need to seek new sources of methods of financing or to dispose of substantial assets
  - (c) Internal matters, for example, work stoppages or other labor difficulties, substantial dependence on the success of a particular project, uneconomic commitments, and a need to significantly revise operations
  - (d) External matters that have occurred, for example, legal proceedings, legislations, or similar matters that might jeopardize an entity's ability to operate; loss of key franchise, license, or patent; loss of a principal customer or supplier; and an uninsured or underinsured catastrophe such as a drought, earthquake, or flood.
13. The examples included in (a) through (d) above are not all-inclusive, and an entity should consider other relevant events and conditions that affect the assessment of the entity's potential inability to meet its obligations within a reasonable period of time. An entity should consider the extent to which each of the events and conditions identified affect the assessment. The significance of such events or conditions will depend on the circumstances, and some may have significance only when viewed in conjunction with other conditions or events.

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<sup>1</sup> Indicators are the same as those in the auditing standards (Statement on Auditing Standards (SAS) 126, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern (Redrafted)*) and FASB's 2008 Exposure Draft, *Going Concern*.

14. The staff recommends Alternative C.

**Question 1—Disclosure Threshold**

1. Does the Board agree with the staff’s recommendation to provide a “reasonable range” caveat and the example indicators?

**Definition of Outside the Ordinary Course of Business**

15. Under the Board’s tentative decisions reached to date, management would not consider the mitigating effect of its plans that are outside the ordinary course of business when assessing the need for disclosures. However, the effect of all of management’s plans would be considered when assessing the existence of *substantial doubt*.
16. In assessing the need for disclosures, management’s assessment should not factor in plans that are outside the ordinary course of business because doing so would potentially omit useful disclosures by understating an entity’s exposure even when such plans may not be definitive and their successful execution is uncertain. Accordingly, the staff believes that the definition of *outside the ordinary course of business* should include management’s plans that are specifically intended to mitigate the issues that otherwise would result in disclosures under the proposed model. In those cases, the users should be given the opportunity through disclosures to judge whether the planned actions are likely to be effective. With that objective in mind, and by leveraging (and supplementing) the existing definition<sup>2</sup> in U.S. GAAP, the staff proposes the following definition:

Management’s plans that would require actions of a nature, magnitude, or frequency inconsistent with actions customary in carrying out an entity’s ongoing business activities shall be considered *outside the ordinary course of business*.

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<sup>2</sup> “Decisions about matters of a type consistent with those normally expected to be addressed in directing and carrying out current business activities, regardless of whether the events or transactions that would necessitate such decisions are expected to occur in the near term. However, it must be at least reasonably possible that those events or transactions that would necessitate such decisions will occur. The ordinary course of business does not include self-dealing transactions.”

Management's plans specifically intended to mitigate concerns about an entity's ability to meet its obligations within a reasonable period of time shall be considered outside the ordinary course of business. In addition, management's plans that are not definitive, or are in early stages of implementation, shall also be considered outside the ordinary course of business when assessing the need for disclosures.

17. Examples of management's plans outside the ordinary course of business include:
  - (a) Plans to close a plant, sell a business, or dispose of other assets to repay creditors, to secure refinancing, or to meet other obligations
  - (b) Plans to borrow money or restructure debt to avoid bankruptcy, liquidation, or default under an existing contract with creditors or other parties
  - (c) Plans to reduce or delay previously budgeted expenditures to maintain operations because of the lack of alternative funding or available financing
  - (d) Plans to raise capital to avoid bankruptcy, liquidation, or a default under an existing contract with creditors or other parties.
  
18. If management determines that disclosures are necessary, it should then assess whether there is *substantial doubt* about an entity's ability to meet obligations within a reasonable period of time. This additional determination would consider the effect of all management's plans, whether or not they are ordinary. Accordingly, to the extent that substantial doubt can be alleviated by management's plan, the potential success of that plan also would need to be assessed. In particular, management would need to assess (a) whether it is likely that the plan can mitigate substantial doubt and (b) whether it is likely that such plan can be effectively implemented (that is, the plan is feasible). If, after this assessment, management concludes that the likelihood of the entity's inability to meet obligations within a reasonable period of time is *probable*, it would assert in the financial statements that there is *substantial doubt*.

**Staff Recommendation**

19. The staff recommends defining *outside the ordinary course of business* as described in paragraph 16 and supplemented with the examples in paragraph 17.

**Question 2—Defining *Outside the Ordinary Course of Business***

2. Does the Board agree with the staff's definition of *outside the ordinary course of business*? If so, does the Board wish to include examples, such as the ones listed in paragraph 17 of this memo?

**Disclosures**

20. Consistent with the disclosure considerations outlined in today's auditing standards, the staff believes that sufficient information should be disclosed in the footnotes to enable users to understand the principal events giving rise to an entity's potential inability to meet its obligations, their possible effects, and management's plans.
21. Information about an entity's liquidity and other risks would continue to be communicated in the MD&A for public entities in the period(s) leading up to the start of disclosures in the core financial statements. Once disclosures start in the core financial statements, information in the MD&A could refer to, and in some cases, supplement the financial statement disclosures. The disclosures, therefore, would not be replicated.
22. Unlike MD&A, these disclosures would not be intended to describe the overall risk factors that could be disruptive to an entity's operations and finances but that do not affect the entity's ability to meet its obligation in the near term. Disclosures under the proposed model would focus on the principal existing conditions or events (for instance, liquidity needs due to impending maturity of existing debt) that led to management's conclusion that the entity may not meet its obligations within a reasonable period of time absent management actions outside the ordinary course of business.

**Staff Recommendation**

23. An entity should disclose information that enables users of the financial statements to understand the following:
- (a) Principal conditions or events giving rise to the entity’s potential inability to meet its obligations for a reasonable period of time
  - (b) The possible effects of such conditions or events
  - (c) Management’s evaluation of the significance of those conditions or events and any mitigating factors
  - (d) Possible discontinuance of operations
  - (e) Management’s plans
  - (f) A statement about whether any adjustments have been made relating to (i) the recoverability or classification of recorded asset amounts or (ii) the amounts or classification of liabilities.

**Question 3—Disclosures**

3. Does the Board agree to draft the disclosure requirements in the proposed Update in accordance with the principles detailed in paragraph 23 of this handout?

**Nonpublic Entity Considerations**

24. Current auditing standards on going concern treat nonpublic entities similar to public entities. To understand how the new reporting model would affect nonpublic entities, the staff has performed outreach with various nonpublic entity stakeholders through advisory committee meetings (Private Company Financial Reporting Committee, Private Company Council, and Small Business Advisory Council) and through individual outreach. The feedback received from nonpublic entity stakeholders was similar to that received from their public entity counterparts. However, there were some differences.

25. The concern among preparers about the potential “self-fulfilling prophecy” of the going concern substantial doubt assertion appeared more common among nonpublic entities than public entities. Additionally, even though the auditing standards already require disclosures in footnotes, most nonpublic entities expressed concern about a new U.S. GAAP requirement that would have the potential to increase those disclosures.
26. The staff has analyzed how the new reporting model would apply to nonpublic entities and which aspects of the model, if any, should be considered for differential treatment. Based on that analysis, the staff has identified only one aspect of the new reporting model for which an exception may be warranted for nonpublic entities (see Alternative A below).

***Alternative A—No Substantial Doubt Assertion for Nonpublic Entities. All Other Disclosure Provisions Would Still Apply.***

27. Nonpublic entities would adopt all of the aspects of the new reporting model, including disclosures starting at the MLTN level, except for the proposed requirement to make a substantial doubt declaration in the financial statements. That is, a nonpublic entity would provide disclosures starting at the MLTN threshold, and disclosures would generally increase in detail as the likelihood increases, but no separate substantial doubt declaration would be made. The only difference in disclosures between a public entity and a nonpublic entity would be the single statement by management that there is substantial doubt about the public entity’s ability to continue as a going concern.
28. Some argue that the term *substantial doubt* is merely an audit reporting concept that does not belong in U.S. GAAP. The securities law requires public entity auditors to assess substantial doubt. However, no such law governs nonpublic entity financial reporting or audits. Accordingly, proponents of this alternative do not see the need to follow the public entity reporting model.

**Alternative B—No Differences between Public and Nonpublic Entities**

29. The second alternative is to have one single going concern reporting model for all entities. Proponents of this alternative acknowledge that substantial doubt declaration may not be beneficial on its own. However, they believe that the new reporting model works best with substantial doubt defined as a higher threshold than the initial disclosure threshold, because it makes clear that the start of disclosures does not mean there is substantial doubt. Proponents of this alternative also argue that any difference between public and nonpublic entities may result in unnecessary complexity and confusion in the financial reporting environment.

**Staff Recommendation**

30. The staff recommends Alternative A in which nonpublic entities (broadly, to be defined as non-SEC filers) would not be required to declare substantial doubt. A nonpublic entity would apply all other provisions (including all other disclosure requirements) of the new model.

**Question 4—Applicability to Nonpublic Entities**

4. Does the Board agree with the staff's recommendation not to require nonpublic entities to declare substantial doubt? Nonpublic entities would be required to apply all other provisions of the new model.

**COMPLEXITY AND COST-BENEFIT ANALYSIS**

31. The new going concern reporting model would incorporate much of the current auditing literature into U.S. GAAP and provide management guidance about when and how significant threats to an entity's going concern assumption should be disclosed in footnotes. The resulting increased consistency in the timing, nature, and extent of disclosures would benefit users of financial statements. Because most preparers already conduct much of the going concern analysis and prepare the footnotes themselves, the staff believes that the implementation of this standard would not introduce significant incremental costs for many entities. Accordingly, the staff believes that the proposed model is cost beneficial.

## **TRANSITION**

32. The staff notes that for disclosure-only standards, the Board typically prefers a prospective transition. The staff believes that prospective transition also would be the appropriate for this standard because the most relevant information is that of the current reporting period.

### **Question 5—Transition**

5. Does the Board agree with a prospective transition?

## **PERMISSION TO DRAFT AND BALLOT**

33. The staff is ready to start drafting a proposal as soon as the Board concludes deliberations on the above remaining issues. The staff estimates that the Exposure Draft would be released by late March or early April 2013. Given the current timing of public documents, the staff is proposing a 90-day comment period, which would take the comment period through late June or early July.

### **Questions 6 and 7—Permission to Ballot and Comment Period**

6. Does the Board direct the staff to draft a proposed Update on going concern for vote by written ballot?
7. Does the Board wish to provide a 90-day comment period?



**Board Meeting Handout**  
**Nonpublic Entities:**  
**Clarification of a Fair Value Disclosure Requirement**  
**January 31, 2103**

**Issue Summary**

1. At this meeting, the staff will provide a summary and analysis of comments received on the January 7, 2013 proposed Accounting Standards Update, *Financial Instruments (Topic 825): Clarifying the Scope and Applicability of a Particular Disclosure to Nonpublic Entities*. The comment period on the proposed Update closed on January 22, 2013. The staff will ask the Board to consider the comments received, whether it wishes to affirm or revise its proposals based on those comments, and whether the staff should proceed to drafting a final Update for balloting by the Board.

**Comment Letter Analysis**

2. As of January 23, 2013, the Board received 12 comment letters that were posted on the FASB's website. The following table shows the types of respondents.

Type of Respondent	Number
Preparers	
- Industry groups	3
- NFP entities	1
Auditors	
- Professional organizations	2
- Public accounting firms	5
Others	
- Consultants	1
<b>Total</b>	<b>12</b>

3. All respondents who commented on the proposed amendments to clarify the scope and applicability of Topic 825 agreed that the Board should make clear that the requirement of paragraph 825-10-50-10(d) to disclose "the level of the fair value hierarchy within which the fair value measurements are categorized in their

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entirety (Level 1, 2, or 3)” does not apply to nonpublic entities for items that are not measured at fair value in the statement of financial position but for which fair value is disclosed. Additionally, all respondents who commented on the proposed effectiveness of the amendments agreed that they should be effective upon issuance (for example, for calendar year 2012).

4. Some respondents also used their comment letters as an opportunity to make comments, suggestions, or requests that either are inconsistent with the FASB’s Codification style or are matters that are outside the narrow scope of the proposed Update.

#### Questions for the Board

Does the Board agree to:

- (a) Affirm that the requirement of paragraph 825-10-50-10(d) to disclose “the level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2, or 3)” does not apply to nonpublic entities for items that are not measured at fair value in the statement of financial position but for which fair value is disclosed
- (b) Affirm that the Update be effective upon issuance
- (c) Direct the staff to draft a final Update for vote by written ballot?



## Board Meeting Handout

### Ratification of EITF Consensuses and Consensuses-for-Exposure<sup>1</sup> January 31, 2013

At today's meeting, the staff will request that the Board consider ratifying two consensuses and two consensuses-for-exposure reached by the Emerging Issues Task Force at its January 17, 2013 meeting.

#### TASK FORCE CONSENSUSES

**1. Issue 11-A, "Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity"---**The Task Force reached a consensus that when a reporting entity (parent) ceases to have a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) *within* a consolidated foreign entity, the parent should apply the guidance in Subtopic 830-30 to release any related cumulative translation adjustment into net income. Accordingly, the cumulative translation adjustment should be released into earnings only if such sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided.

The Task Force also reached a consensus that for an equity method investment that is a foreign entity, the partial sale guidance in Section 830-30-40 still applies. As such, a pro rata portion of the cumulative translation adjustment should be released into net income upon a partial sale of such an equity method investment. However, that treatment does not apply to an equity method investment that is not a foreign entity. In those instances, the partial sale would have to represent the complete or substantially complete liquidation of the foreign entity that contains the equity method investment in order for the cumulative translation adjustment to be released into net income.

The Task Force also reached a consensus that the sale of an *investment in* a foreign entity includes both (a) events that result in the loss of a controlling financial interest in a foreign entity (that is, irrespective of any retained investment) and (b) events that result in an acquirer obtaining control of an acquiree in which it held an equity interest immediately before the acquisition date (sometimes also referred to as a step acquisition). Accordingly, the cumulative translation adjustment should be released into net income upon the occurrence of those events.

The Task Force reached a consensus that no additional recurring disclosures should be required by this Issue.

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<sup>1</sup> Consensus-for-exposure refers to conclusions reached by the Task Force on an Issue indicating that the Issue has been approved for release as a Proposed Accounting Standards Update subject to Board ratification.

The Task Force reached a consensus that for public entities, the amendments resulting from this Issue should be applied prospectively from the beginning of the fiscal year of adoption for fiscal years (and interim reporting periods within those years) beginning after December 15, 2013, and for nonpublic entities, for the first annual period beginning after December 15, 2014, and interim and annual periods thereafter. Early adoption from the beginning of the fiscal year of adoption of the amendments is permitted.

### Question for the Board

*Question 1:* Does the Board wish to ratify the consensus for Issue 11-A?

**2. Issue 12-D, “Accounting for Obligations Resulting from Joint and Several Liability Arrangements for which the Total Amount of the Obligation Is Fixed at the Reporting Date”**—The Task Force reached a consensus that an entity should measure obligations resulting from joint and several liability arrangements for which the total amount under the arrangement is fixed at the reporting date, as the sum of the following:

- a. The greater of the amount the reporting entity agreed to pay with its co-obligors and the amount of proceeds received by the reporting entity in cash from a debt arrangement
- b. Any additional amount the reporting entity expects to pay.

The Task Force reached a consensus that the following disclosures should be required for each liability or each group of similar liabilities resulting from joint and several liability arrangements:

- a. The nature of the arrangement, including how the liability arose, the relationship with other co-obligors, and the terms and conditions of the arrangement
- b. The total outstanding amount under the arrangement, which should not be reduced by the effect of any amounts that may be recoverable from other entities
- c. The carrying amount, if any, for the entity's liability and the carrying amount of a receivable recognized, if any
- d. The nature of any recourse provisions that would enable recovery from other entities of the amounts paid, including any limitations on the amounts that might be recovered
- e. In the period the liability is initially recognized and measured or in a period the measurement changes significantly, the corresponding entry and where it was recorded in the financial statements.

The Task Force reached a consensus that the amendments resulting from this Issue should be applied retrospectively to all prior periods presented for those obligations resulting from joint and several liability arrangements that exist at the beginning of the entity's fiscal year of adoption. Earlier application is permitted. An entity that changes its accounting as a result of adopting the amendments resulting from this Issue may elect to use hindsight for the comparative periods and should disclose that fact.

The Task Force reached a consensus that for public entities, the amendments resulting from this Issue will be effective for fiscal years (and interim periods within those years) beginning after December 15, 2013. For nonpublic entities, amendments will be effective for fiscal years ending after December 15, 2014.

**Question for the Board**

**Question 2:** Does the Board wish to ratify the consensus for Issue 12-D?

**TASK FORCE CONSENSUSES-FOR-EXPOSURE**

**1. Issue 13-A, “Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes”**—

The Task Force reached a consensus-for-exposure to include the Fed Funds Effective Swap Rate (OIS) as a U.S. benchmark interest rate for hedge accounting purposes under Topic 815, in addition to UST and LIBOR.

The Task Force reached a consensus-for-exposure that no additional recurring disclosures should be required by this Issue.

The Task Force reached a consensus-for-exposure that this Issue should be applied on a prospective basis for qualifying new or redesignated hedging relationships entered into on or after the date of adoption.

While the Task Force has not yet determined what the effective date should be, after deliberating stakeholder feedback on the proposed Update, the Task Force will consider whether the effective date should coincide with the issuance date of a final Update.

**Question for the Board**

**Question 3:** Does the Board wish to ratify the consensus-for-exposure for Issue 13-A?

**2. Issue 13-C, “Presentation of a Liability for an Unrecognized Tax Benefit When a Net Operating Loss Carryforward or Tax Credit Carryforward Exists”**—

The Task Force reached a consensus-for-exposure that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, shall be presented in the statement of financial position as a reduction to a deferred tax asset for a net operating loss carryforward or a tax credit carryforward, if the uncertain tax position would, or is available to, reduce such net operating loss carryforward or tax credit carryforward under the tax law of the applicable jurisdiction. If the uncertain tax position would not, or is not available to, reduce such net operating loss carryforward or tax credit carryforward, then the unrecognized tax benefit shall be presented in the statement of financial position as a liability.

The Task Force reached a consensus-for-exposure that no additional recurring disclosures would be required by this Issue.

The Task Force reached a consensus-for-exposure that entities should apply the amendments resulting from this Issue retrospectively to all periods presented with earlier application permitted.

**Question for the Board**

*Question 4:* Does the Board wish to ratify the consensus-for-exposure for Issue 13-C?

**EXPOSURE PERIOD FOR THE CONSENSUSES-FOR-EXPOSURE**

**Questions for the Board**

*Question 5:* Does the Board agree with the staff's recommendation that the proposed Updates for Issues 13-A and 13-C be exposed for a 60-day comment period?