

FASB Chair Report

January 1, 2025 – March 31, 2025

LETTER FROM THE FASB CHAIR

The FASB made significant progress toward completing priority projects identified during our last agenda reset. That begs the question: what should the Board work on next? To answer that question, we began the first quarter of 2025 by inviting all of our stakeholders to weigh in.

Invitation to Comment: Agenda Consultation and Other Research Projects

On January 3, 2025, the FASB published an Invitation to Comment (ITC), [Agenda Consultation](#), that asks all of our stakeholders to provide feedback on our future standard-setting agenda. The ITC summarizes our 2024 discussions with about 200 stakeholders, who generally noted that there is not a case to make broad changes to generally accepted accounting principles (GAAP). Instead, many of the issues that they suggested and that are described in the ITC focus on targeted improvements to GAAP. We look forward to hearing all stakeholder views by the comment deadline on June 30, 2025.

During the first quarter, we continued to receive stakeholder responses to our 2024 outstanding ITCs on Financial Key Performance Indicators for Business Entities and Accounting for and Disclosure of Intangibles. That input will provide insights into whether the FASB should initiate standard-setting projects in these areas. With comment periods for the ITCs set to conclude during the second quarter, we expect to hold discussions on these topics later this year.

Technical Agenda Projects

Progress on our technical agenda projects also continued apace. With the completion of the first quarter of 2025, 2 of the 13 projects on our standard-setting agenda were in open comment periods, 5 had progressed to the redeliberations stage, and 4 had completed redeliberations and are expected to be issued as final standards in the coming months.

Stakeholders continued to provide input on our proposed Accounting Standards Updates (ASUs) on Accounting for Environmental Credit Programs and our Codification Improvements projects, and we look forward to discussing feedback on those projects later this year. Accounting for and Disclosure of Software Costs, Accounting for Government Grants, Interim Reporting Disclosures, Purchased Financial Assets, and Derivatives Scope Refinements are all in the redeliberations phase.

The Board voted to advance four proposed standards to final standards. We finalized the Emerging Issues Task Force's recommendations on Determining the Acquirer in the Acquisition of a VIE. We also voted to move

ahead with improvements to Share-Based Consideration Payable to a Customer; PCC-recommended improvements to Credit Losses—Topic 606, Receivables; and Hedge Accounting Improvements. We expect to issue the final standards in the coming months.

We were mindful of the timing for all the exposure documents and their related comment periods. Many of them had extended comment periods, some lasting up to six months, to ensure that all of our stakeholders have an opportunity to participate in our process. While we typically receive formal comment letters, we also welcome verbal input through communications with our teams. In other words, I want to emphasize that the form of the input should never be an impediment to people providing input on the direction of a project.

Advisory Groups

On March 13, the Private Company Council ([PCC](#)) published its first-ever annual report. The report highlights the accomplishments and activities of the PCC during 2024, including its engagement with more than 1,000 private company stakeholders through meetings, conferences, webcasts, comment letters, and other forms of outreach and engagement to execute our mission.

Finally, on March 27, we appointed four new members to our Public Markets Advisory Committee ([PMAC](#)), formerly the Small Business Advisory Committee. The PMAC works closely with the FASB and its staff in an advisory capacity to communicate effectively, on a timely basis, the perspectives of public companies and their stakeholders with a particular emphasis on smaller public companies and others considering accessing or that have recently accessed the public markets. The four new members of the group are:

- Jeffrey Ford, Senior Vice President, Finance, and Chief Accounting Officer, LivePerson
- Shubho Ghosh, Managing Director, Opti Capital Management, LP
- Michelle Reynolds, Chief Accounting Officer, Reddit, Inc.
- Marcel A. Snyman, Vice President, Chief Accounting Officer, Graham Holdings Company.

Your input drives everything that we do. To set standards successfully, we need your feedback. I urge you to continue to share your views on our projects and activities so that we can address issues of most importance to you.



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 2025:

Number of Projects				
As of December 31	Added (removed)	Projects Completed	As of March 31	# EDs Issued
15	(1)	(1)	13	1

One project was completed through the issuance of a final Accounting Standards Update (ASU):

- [*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures \(Subtopic 220-40\): Clarifying the Effective Date.*](#)

The Board removed one project from the technical agenda:

- Presentation of Contract Assets and Contract Liabilities for Construction Contractors (PCC).

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

- Credit Risk Transfer (CRT) Transactions.

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 ASU:

- [*Codification Improvements.*](#)

In addition, the Securities and Exchange Commission's (SEC) guidance that is included in the Codification for convenience was amended to reflect the issuance of SEC Staff Accounting Bulletin No. 122.

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

Project	Board Meeting(s)	Summary of Discussions
Topic 815— Derivatives Scope Refinements	January 15	• Discussed feedback received on the proposed ASU and began redeliberations.

Project	Board Meeting(s)	Summary of Discussions
		- Directed the staff to perform further research on clarifying the proposed scope exception and the proposed predominant characteristics assessment. - Directed the staff to focus on clarifying the applicability of Topic 606, Revenue from Contracts with Customers, and other Topics for a share-based payment from a customer that is consideration for the transfer of goods or services and to not further consider under this project broader issues raised by comment letter respondents.
Share-Based Consideration Payable to a Customer	February 5	- Discussed feedback received on the proposed ASU and completed redeliberations, affirming the proposed amendments with some minor clarifications including clarifying how to apply the retrospective method of transition (if selected). - Decided that the amendments will be effective for all entities for annual reporting periods (including interim reporting periods within annual reporting periods) beginning after December 15, 2026, and that early adoption is permitted. - Directed the staff to draft a final ASU.
Determining the Acquirer in the Acquisition of a VIE	March 5	- Discussed feedback received on the proposed ASU and completed redeliberations, affirming the proposed amendments. - Decided that the amendments will be effective for all entities for annual reporting periods (including interim reporting periods within annual reporting periods) beginning after December 15, 2026, and that early adoption is permitted. - Directed the staff to draft a final ASU.
Topic 815—Hedge Accounting Improvements	March 26	- Discussed feedback received on the proposed ASU and completed redeliberations, affirming the proposed amendments with some minor revisions, including making certain provisions optional. The new guidance will clarify aspects of the guidance on hedge accounting and address several incremental hedge accounting issues arising from the global reference rate reform initiative. - Decided that the amendments will be effective for public business entities for annual reporting periods beginning after December 15, 2026, and for entities other than public business entities for annual reporting periods beginning after December 15, 2027, and that early adoption is permitted.

Project	Board Meeting(s)	Summary of Discussions
		Directed the staff to draft a final ASU.
Credit Losses— Topic 606 Receivables	March 26	- Discussed feedback received on the proposed ASU and endorsed the PCC's recommendations, completing redeliberations on the project. - Decided that all entities should be eligible to elect 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 that entities other than public business entities that have applied the practical expedient should be eligible to elect the accounting policy election to consider subsequent cash collections in determining the estimate of expected credit losses. - Decided that the amendments will be effective for annual reporting periods (and interim reporting periods within those annual reporting periods) beginning after December 15, 2025, and that early adoption is permitted. - Directed the staff to draft a final ASU.
Presentation of Contract Assets and Contract Liabilities for Construction Contractors	March 26	As recommended by the PCC, removed the project from the technical agenda because the PCC agreed that the FASB staff should move forward with releasing the FASB Staff Educational Paper on this issue rather than pursuing standard setting.

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.
- 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 first quarter of 2025:

	<u>Number of Projects</u>					# of Exposure Drafts or Invitations to Comment
	As of December 31	Added (removed)	Transferred	Final Documents Issued	As of March 31	
Research Projects	7	1			8	1
PCC Projects	0				0	
EITF Projects	0	1			1	
PIR Projects	2				2	
Total	9	2	0	0	11	1

Research Projects: The Board continued to move forward on its research projects. In connection with the Agenda Consultation project, the staff issued an [Invitation to Comment](#) (ITC) in January. The ITC is intended to solicit broad stakeholder feedback about the future standard-setting agenda of the FASB, including financial reporting issues that should be addressed, potential solutions to those issues, and their level of priority. The ITC is open for comment through June 30th. Additionally, the FASB chair added a project to the research agenda related to hedge accounting. Current research projects as of the end of the quarter are listed in the appendix.

PCC Projects: The PCC met on March 6 and discussed both of its projects that are also on the Board's technical agenda: (1) Credit Losses—Topic 606 Receivables and (2) Presentation of Contract Assets and Contract Liabilities for Construction Contractors. At that meeting, the PCC discussed comment letter feedback and completed redeliberations related to private companies on the proposed ASU for Credit Losses—Topic 606 Receivables. On March 26, the Board endorsed the PCC's decisions and extended them beyond private companies. Additionally, the PCC voted to remove the Presentation of Contract Assets and Contract Liabilities for Construction Contractors project from its agenda and agreed that the staff should move forward with releasing the [FASB Staff Educational Paper](#) on this topic. On March 26, the Board removed that project from its technical agenda. The PCC did not add any new projects to its agenda as a result of the March 2025 meeting.

EITF Projects: The EITF agenda committee met on January 9 and added a project on accounting for paid-in-kind dividends on preferred stock. At that meeting, the committee also voted not to add a project to the EITF's agenda on the determination of the unit of account for conversion terms embedded in a debt instrument. The EITF met on March 25 and discussed its project on accounting for paid-in-kind dividends on preferred stock. At that meeting, the EITF recommended that the Board add a project to its technical agenda to address the measurement of dividends that are paid in kind on equity-classified preferred stock.

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 following table lists activities connected with the individual projects:

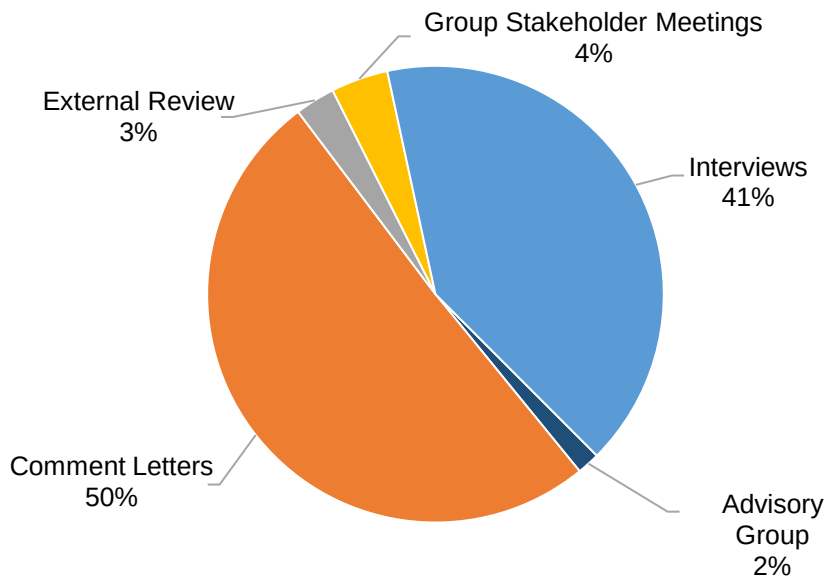
Project	Activities
Credit Losses	• Continued to monitor implementation of CECL and engage with stakeholders on various implementation issues through technical inquiries, advisory group meetings, and speeches. • Completed redeliberations on the proposed ASU, <i>Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-for-Profit Entities</i>. • Continued redeliberations on the proposed ASU, <i>Financial Instruments—Credit Losses (Topic 326): Purchased Financial Assets</i>.
Leases	• Met with the Financial Accounting Standards Advisory Council (FASAC), the PCC, and the Not-for-Profit Advisory Committee (NAC) to discuss the benefits and costs of Topic 842. • Launched nonpublic preparer cost survey to obtain information from nonpublic entities on their experience with implementation and ongoing application of Topic 842. • Conducted outreach with public and nonpublic entity investors. • Discussed areas of complexity for nonpublic entities with small- to mid-sized practitioners. • Participated in two PCC Working Group meetings and performed outreach with several preparers to determine areas of difficulty with Topic 842.

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.

HOW DID WE HEAR FROM OUR STAKEHOLDERS IN Q1 2025?



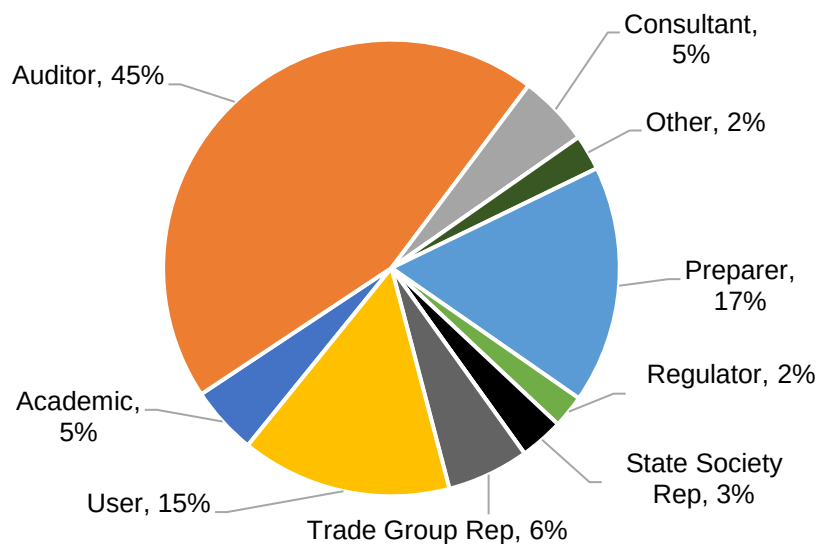
Q1 Summary Statistics

# of Interviews	101
# of Comment Letters	125
# of External Review Responses	7
# of Group Stakeholder Meetings	10
# of Advisory Group Meetings*	4

Notes:

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

WHO DID WE ENGAGE WITH IN Q1 2025?



Types of Stakeholders

Preparers	
Public Entities	60%
Private Entities	34%
Not-for-Profit Entities	6%
Auditors	
Big 4 Firms	53%
Other Global	19%
U.S. National	16%
U.S. Regional & Local	12%
Investors and Other Users	
Buy-side	39%
Sell-side	23%
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)	Topics
Academic Resource Group (ARG)	January 9, 2025	• Overview of the FASB Technical Agenda • The Role of the ARG • Accounting for and Disclosure of Intangibles (Research Project)
FASAC	March 4, 2025	• PIR—Leases • Consistency in Accounting Standards • Topic 815—Derivatives Scope Refinements
PCC	March 6, 2025	• PCC Agenda Priorities • Credit Losses—Topic 606 Receivables • Presentation of Contract Assets and Contract Liabilities for Construction Contractors • PCC Research Project—Leases and Update on FASB Leases PIR • Share-Based Consideration Payable to a Customer • Determining the Acquirer in the Acquisition of a VIE • Interim Reporting—Narrow-Scope Improvements
NAC	March 20, 2025	• FASB Agenda Consultation • Emerging Financial Reporting Issues in the NFP Sector • PIR—Leases • Credit Losses—Topic 606 Receivables • Topic 815—Derivatives Scope Refinements • Accounting for and Disclosure of Intangibles (Research Project) • Accounting for and Disclosure of Software Costs • Codification Improvements • Accounting for Environmental Credit Programs
EITF	March 25, 2025	• Accounting for Paid-in-Kind Dividends on Preferred Stock

Members appointed to advisory groups in the quarter were:

- NAC: Christina Dutch, Jennifer Hoffman, Diane Manning, Pete Ugo
- PCC: Michael Cheng (reappointed), Katina Curtis (reappointed)
- Public Markets Advisory Committee (PMAC), formerly known as the Small Business Advisory Committee: Jeffrey Ford, Shubho Ghosh, Michelle Reynolds, Marcel A. Snyman.

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 14
IFRS Accounting Standards Advisory Forum (ASAF) Meeting	March 24-25
Multilateral Activities	
Multi-Lateral Network (MLN) Meeting	March 3
Bilateral Activities	
Canadian Accounting Standards Board (AcSB)	January 27
*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 SEC chief accountant and other senior staff of the SEC.

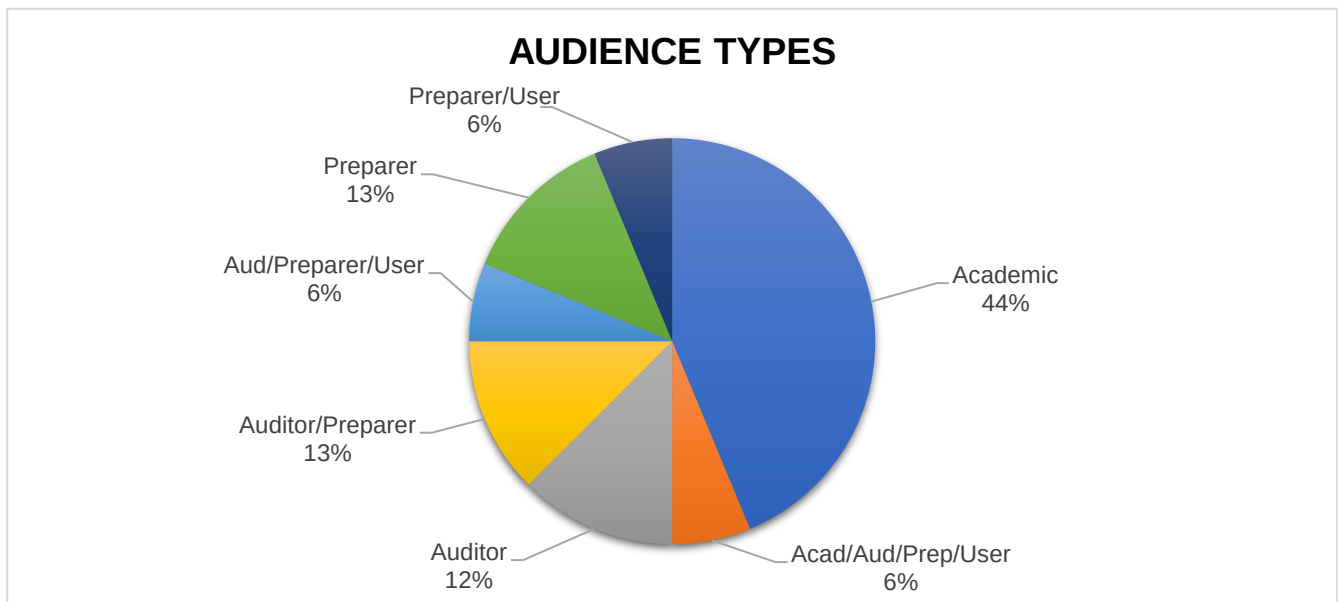
OTHER KEY COMMUNICATION ACTIVITIES

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	PCC Quarterly Update—Q1 2025	February 5, 2025
Video	FASB Agenda Consultation Project—Share Your Views	March 7, 2025
Video	Academic Research	March 20, 2025

Speech Activity			
Speaker	2023 1Q	2024 1Q	2025 1Q
FASB members	7	7	3
FASB staff	13	17	14
PCC members	0	0	0
Total	20	24	17

- A total of 17 FASB speakers presented at 16 events. 18% of speakers were FASB members and 82% 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 12 press releases, media advisories, meeting recaps, and stakeholder emails on a variety of topics, with accompanying social media.

Other Communications Activities and Education

- On February 5, Rich Jones was interviewed by AICPA Director of Accounting Standards Dan Noll as part of the February 2025 edition of AICPA's "A&A Focus," a monthly webcast series on the latest in accounting, auditing, and assurance. The live interview focused on the FASB's 2025 Agenda Consultation and was viewed by more than 5,000 AICPA members.
- On March 13, the FASB published the PCC's inaugural 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 18, 2025, the SEC accepted the 2025 GRT (including the 2025 Employee Benefit Plan Taxonomy [EBPT]) and the 2025 SRT. In addition, the FASB finalized the 2025 DQCRT and the 2025 Meta Model Relationships Taxonomy (MMT).
- The FASB staff:
 - Published proposed taxonomy improvements for:
 - Proposed ASU—*Codification Improvements*.
 - Published the following proposed GAAP Taxonomy Implementation Guides for the 2025 Taxonomy:
 - *Accounting Changes*
 - *Segment Reporting (After Adoption of Accounting Standards Update 2023-07)*.
 - Published the following final GAAP Taxonomy Implementation Guides for the 2025 Taxonomy:
 - *Boolean, Fixed List, and Extensible Enumeration Elements, A Guide for Preparers*
 - *Income Taxes (Topic 740)*.
 - Published new DQCRT Rule Criteria and Process Document on the FASB website.
 - 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 (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 March 31, 2025

PROJECTS	Next Milestone	Expected Date
Accounting for and Disclosure of Software Costs	Board redeliberations	Ongoing
Accounting for Debt Exchanges	Exposure Draft	2Q 2025
Accounting for Environmental Credit Programs	Exposure Draft	Comments Due April 15, 2025
Accounting for Government Grants	Board redeliberations	Ongoing
Codification Improvements (Evergreen)	Exposure Draft	Comments Due April 22, 2025
Credit Losses—Topic 606 Receivables (PCC)	Final ASU	2Q 2025
Determining the Acquirer in the Acquisition of a VIE	Final ASU	2Q 2025
Financial Instruments—Credit Losses (Topic 326)— Purchased Financial Assets	Board redeliberations	Ongoing
Interim Reporting—Narrow-Scope Improvements	Board redeliberations	Ongoing
Share-Based Consideration Payable to a Customer	Final ASU	2Q 2025
Statement of Cash Flows Targeted Improvements	Board deliberations	Ongoing
Topic 815—Derivatives Scope Refinements	Board redeliberations	Ongoing
Topic 815—Hedge Accounting Improvements	Final ASU	3Q 2025

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
Hedge Accounting
Statement of Cash Flows

EITF
Accounting for Paid-in-Kind Dividends on Preferred Stock

POST-IMPLEMENTATION PROJECTS
Credit Losses
Leases