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STANDARD SETTERS' UPDATES

H1 2026 EDITION

ACCOUNTING | FINANCIAL REPORTING | REGULATORY DEVELOPMENTS | STANDARDS EXCELLENCE

Welcome to our H1 2026 edition of the Standard Setters' Updates.

This edition provides a concise review of the most significant accounting, financial reporting, and regulatory developments as we move through the first half of 2026.

In the Accounting Update section, we cover the latest guidance issued by FASB during the H1 2026 and highlight standards that are effective in 2026.

The Regulatory Update section summarizes important announcements, initiatives, and enforcement developments from the SEC and other key regulatory bodies.

Finally, the FASB Current Projects section offers a concise snapshot of ongoing FASB projects, providing insight into active standard-setting initiatives and expected timelines.

01

Accounting Updates

Accounting Standards Updates ("ASU") Issued in H1 2026

ASU 2026-01

Equity (Topic 505): Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock

The update was published in response to questions received from preparers and auditors about the lack of clear advice on how an issuer should first measure paid-in-kind (PIK) dividends on equity-classified preferred shares. Stakeholders noted that the lack of stated standards led to variance in practice, especially in how issuers accounted for preferred stock and computed income available to common shareholders for Earnings per Share (EPS) reasons. The mismatch hampered comparability and usefulness to investors and other consumers of financial statements in making judgments.

This Accounting Standards Update resolves that issue by providing explicit guidance on the initial measurement of PIK dividends on preferred stock that is classified as equity. The modifications remove any uncertainty by emphasizing that the accounting measuring approach for these payouts must be applied consistently. The update does not alter the timing of recognition of PIK dividends, but rather tries to standardize the initial measurement.

The modifications are designed to assist issuers by decreasing the risk of inconsistent reporting and providing a clearer framework for accounting treatment. The guidance will also be very useful to private firms in lowering interpretive complications. It will make EPS and equity presentation more comparable across companies, which will assist investors and analysts.

The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is allowed for interim and yearly reporting periods.
These modifications clarify the initial measurement of PIK dividends for greater consistency, comparability and decision utility in financial reporting.

ASU 2026-02
Environmental Credits and Environmental Credit Obligations (Topic 818)

As more and more enterprises participate in carbon markets, renewable energy initiatives, and cap and trade systems, the need for uniform accounting guidelines becomes more acute. Before this amendment, U.S. GAAP did not provide explicit guidance on environmental credits, therefore organizations had to look to other areas such as inventory, intangibles or contingencies for guidance. This resulted in a wide range of practices and a diminished capacity to compare financial accounts.

This Accounting Standards Update introduces a new, comprehensive model in Topic 818 for recognition, classification, measurement, derecognition, presentation, and disclosure of environmental credits and environmental credit obligations (ECOs). The revisions introduce a probability based asset recognition mechanism, dual classification of credits (compliance vs. non-compliance) and a funded/unfunded measurement model for ECOs. Crucially, only voluntary initiatives such as net-zero commitments will need to be expensed when incurred. The Board hopes that by establishing a clear direction it will decrease uncertainty, enhance comparability and bring financial reporting closer to sustainability pledges.

The changes should assist investors and analysts by providing clearer, more uniform information regarding environmental credits and obligations, enabling better assessment of sustainability initiatives and financial vulnerabilities. Preparers will find it less complex to read, and there will be enhanced alignment between ESG reporting and financial statements for sustainability teams.

The ASU will apply to annual reporting periods commencing after December 15, 2027, including interim periods within those annual reporting periods. The effective date for entities other than public business companies is one year later. Early adoption is allowed and entities will recognize a cumulative-effect adjustment to opening retained earnings upon adoption; prior periods are not recast.

These modifications aim to improve the openness, comparability and decision-usefulness of financial reporting on sustainability activities through the development of a complete framework for environmental credits and obligations.

02 Accounting Updates
Standards Effective in 2026

ASU 2025-05
Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets

This Update provides targeted relief in applying the current expected credit loss (CECL) model to current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. The amendments introduce a practical expedient that allows entities to assume that current conditions as of the balance sheet date will not change for the remaining life of the asset when estimating expected credit losses. Entities other than public business entities that elect the practical expedient may also make an accounting policy election to consider certain collection activity after the balance sheet date.

The amendments in this Update are effective for annual reporting periods beginning after December 15, 2025, including interim periods. Early adoption permitted.

ASU 2024-04
Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments

This Update clarifies the guidance for determining whether certain settlements of convertible debt instruments should be accounted for as induced conversions. It requires an entity to assess whether the inducement offer preserves the form and amount of consideration that was issuable under the instrument's existing conversion privileges. The amendments are intended to improve consistency in applying induced conversion accounting and reduce diversity in practice.

The amendments in this Update are effective for annual reporting periods beginning after December 15, 2025, including interim periods. Early adoption permitted for entities that have adopted ASU 2020-06.

ASU 2024-02
Codification Improvements—Amendments to Remove References to the Concepts Statements

This Update makes Codification improvements by removing references to various FASB Concepts Statements. In most cases, these references were not necessary to understand or apply the guidance, while in other cases their removal helps avoid confusion regarding the authoritative status of the Concepts Statements. The amendments are not expected to significantly change current accounting practice.

The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2024, including interim periods. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2025, including interim periods. Early adoption permitted.

ASU 2024-01
Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards

This Update clarifies how entities should determine whether profits interest awards and similar awards are within the scope of Topic 718, Compensation—Stock Compensation. The amendments add illustrative guidance to help entities evaluate the terms and characteristics of such awards and determine whether they should be accounted for as share-based payment arrangements or under other compensation guidance. The amendments in this Update are effective for public business entities for fiscal years beginning after December 15, 2024, including interim periods. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2025, including interim periods. Early adoption permitted.

ASU 2023-09
Income Taxes (Topic 740): Improvements to Income Tax Disclosures

This Update enhances income tax disclosures to provide more transparent and decision-useful information to investors and other users of financial statements. The amendments require greater disaggregation of information in the effective tax rate reconciliation and additional disclosures about income taxes paid, including information by federal, state, foreign, and certain individual jurisdictions.

The amendments in this Update are effective for public business entities for annual periods beginning after December 15, 2024. For all other entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption permitted.

ASU 2023-05
Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement

This Update provides guidance on how a joint venture should recognize and initially measure assets contributed and liabilities assumed upon formation. The amendments require a joint venture to apply a new basis of accounting and initially measure its net assets at fair value on the formation date, with certain exceptions consistent with business combinations guidance. The Update is intended to reduce diversity in practice and provide more decision-useful information in a joint venture's separate financial statements.

The amendments in this Update are effective prospectively for all joint venture formations with a formation date on or after January 1, 2025. Early adoption permitted.

03 Regulatory Updates

SEC Proposes Amendments to the Small Entity Definitions for Investment **Companies** and Investment **Advisers** for Purposes of the Regulatory Flexibility Act

On January 7, 2026, the Securities and Exchange Commission (SEC) proposed amendments to the rules that define which registered investment companies, investment advisers, and business development companies qualify as small entities under the Regulatory Flexibility Act (RFA). The RFA requires federal agencies to conduct analyses aimed at minimizing the significant economic impact of federal rulemaking on small entities.

The proposal seeks to raise the thresholds under which investment companies and advisers are deemed small entities. By modernizing these definitions, the SEC intends to better tailor its analyses to the regulatory challenges faced by smaller firms and adapt its rulemaking accordingly. SEC Chairman Paul S. Atkins emphasized the Commission's longstanding commitment to addressing the concerns of small entities, noting that the proposal would more accurately capture the types and numbers of advisers and investment companies that should be considered "small." This, in turn, would help the SEC promote the effectiveness and efficiency of its regulations while reducing unnecessary burdens.

Specifically, the proposal would increase the asset-based thresholds for defining small entities, update the method of aggregating related funds' assets, and provide for inflation adjustments to the thresholds every ten years.

SEC Publishes Staff Report on Capital-Raising Dynamics

On January 8, 2026, the Securities and Exchange Commission's Office of the Advocate for Small Business Capital Formation published and delivered to Congress its 2025 staff report on capital-raising dynamics. The report serves as a comprehensive, data-rich resource that provides insight into how small businesses across the United States are raising capital. The report presents data across three stages of the company lifecycle: small and emerging businesses, mature and later-stage businesses, and initial public offerings including small public companies, offering a full picture of activity in the small business marketplace.

It also highlights the Office's outreach and public engagements during fiscal year 2025, as well as the activities of the SEC's Small Business Capital Formation Advisory Committee.

Informed by feedback from ongoing outreach efforts, the Office continues to expand its educational resources to help small businesses and their investors navigate the complexities of capital raising. The report underscores the SEC's commitment to advancing the interests of small businesses and their investors in the capital markets.

SEC Publishes Data on Exchange Traded Funds and Fund Mergers; Updated Statistics on Municipal Advisors, Transfer Agents, and Security-Based Swap Dealers

On February 5, 2026, the Securities and Exchange Commission's Division of Economic and Risk Analysis (DERA) published two new reports and updated several sets of market statistics. The reports focus on exchange traded funds (ETFs) and fund mergers, while the updated statistics cover municipal advisors, transfer agents, and security-based swap dealers (SBSDs).

The first report, The Fast-Growing Market of Active ETFs, examines the rapid expansion of active ETFs, which, though still a smaller segment of the market, have grown significantly in both number and assets. Active ETFs now nearly rival passive funds in count and are characterized by higher turnover, greater use of derivatives, and less alignment with benchmark returns. The second report, When Funds Merge: What Happens to Fees?, analyzes over 1,800 U.S. mutual fund mergers between 2011 and 2023. It finds that mergers are generally associated with lower fees for investors in acquiring funds, with savings varying by fund type and merger structure.

In addition, DERA updated the SEC's public statistics and data visualization webpage to provide refreshed information on municipal advisors, transfer agents, and SBSDs. The site now features interactive charts, pie charts, and heat maps that allow users to explore trends, distributions, and geographic data. DERA's work integrates financial economics and rigorous data analytics into the SEC's mission, helping the Commission identify and respond to market trends and innovations while promoting transparency and resilience in the financial system.

SEC Proposes Amendments to Reduce Burdens in Reporting of Fund Portfolio Holdings

On February 18, 2026, the Securities and Exchange Commission proposed amendments to Form N-PORT, the form used by most registered investment companies to report portfolio-related information. The changes are intended to reduce reporting burdens while maintaining the SEC's ability to use the data effectively and preserving the public's access to meaningful fund information. The proposal follows a review of prior amendments made in 2024 and reflects developments since their adoption. SEC Chairman Paul S. Atkins emphasized that the initiative aims to streamline disclosure requirements, noting that the amendments would provide registrants more time to file, refine reporting items, and reduce the frequency of public reporting of portfolio holdings. Specifically, the proposal would grant funds an additional 15 days to file monthly reports, reduce public disclosure from monthly to quarterly to mitigate risks associated with frequent portfolio transparency, and streamline reporting by removing certain items—including "Names Rule" reporting—while adding information about funds with ETF share classes.

Separately, the Commission extended compliance dates for Form N-PORT reporting requirements related to the "Names Rule" under the Investment Company Act of 1940. The new compliance dates are November 17, 2027, for fund groups with net assets of $10 billion or more, and May 18, 2028, for fund groups with less than $10 billion. This extension is designed to give funds and the SEC additional time to consider the proposed amendments and avoid costs tied to requirements that may be eliminated.

SEC Adopts Final Rules for the Holding Foreign Insiders Accountable Act

On February 27, 2026, the Securities and Exchange Commission adopted final rule and form amendments to implement the Holding Foreign Insiders Accountable Act (HFIA). The Act, enacted on December 18, 2025, requires directors and officers of foreign private issuers (FPIs) with equity securities registered under Section 12 of the Securities Exchange Act of 1934 to disclose their holdings and transactions beginning March 18, 2026. The HFIA amended Section 16(a) of the Exchange Act to mandate that directors and officers of FPIs file Section 16 reports electronically and in English. Notably, the Act excludes "10 percent holders" from these requirements, focusing instead on directors and officers. The SEC's final rule amendments revise several provisions to align with the Act: Rule 3a12 3(b) removes the broad exemption from Section 16, replacing it with narrower exemptions from short-swing profit rules and short-selling prohibitions; Rule 16a 2 is updated to exclude 10 percent holders from Section 16(a) reporting; and Section 16 reports themselves are revised to reflect these changes.

The adopting release has been published on the SEC's website and will also appear in the Federal Register, ensuring transparency and compliance with the HFIA's mandate to finalize regulations within 90 days of enactment.

SEC Proposes Amendments to Exchange Act Rule 15c2-11

On March 16, 2026, the Securities and Exchange Commission proposed amendments to Exchange Act Rule 15c2-11, which governs the information gathering and review requirements for broker-dealers that publish quotations or maintain a continuous quoted market in securities traded in the over-the-counter (OTC) market. Since its adoption, Rule 15c2-11 has been focused on preventing manipulative and fraudulent trading schemes in OTC equity markets. The proposed amendments would clarify that the rule applies only to equity securities, thereby tailoring regulatory obligations more precisely to the asset class. SEC Chairman Paul S. Atkins explained that regulations should be appropriately tailored to fit the asset class to which they apply, noting that the proposal affirms the longstanding understanding that Rule 15c2-11 is directed at equity securities. The proposing release has been published on the SEC's website and will also appear in the Federal Register, with a public comment period open for 60 days following publication.

SEC Approves Exemptive Order and Proposed Rule Change to Permit Customer Cross-Margining in the U.S. Treasury Market

On April 15, 2026, the Securities and Exchange Commission issued a conditional exemptive order permitting customer cross-margining of cash market positions in U.S. Treasury securities cleared by a registered clearing agency with futures positions in U.S. Treasury securities cleared by a registered derivatives clearing organization. The order provides an exemption from the broker-dealer customer protection rule for broker-dealers that are dually registered as futures commission merchants with the Commodity Futures Trading Commission (CFTC) and are joint clearing members of both organizations.

This allows such broker-dealers to offer cross-margining to certain customers in futures accounts, provided the order's conditions are met. In addition, the SEC approved a proposed rule change filed by the Fixed Income Clearing Corporation (FICC) to enter into a Third Amended and Restated Cross-Margining Agreement with the Chicago Mercantile Exchange (CME). The agreement, incorporated into FICC's Government Securities Division rules, extends cross-margining availability to customer positions cleared by dually registered broker-dealers that are common members of FICC and CME. Previously, only clearing members could cross-margin Treasury futures at CME with cash market positions at FICC.

SEC Commissioner Mark T. Uyeda noted that the orders represent another step in implementing Treasury clearing, advancing the joint SEC-CFTC goal of unlocking additional liquidity and ensuring resilience in the U.S. Treasury market. The exemptive order and rule approval will be available on SEC.gov before publication in the Federal Register, with a related CFTC exemptive order also published on CFTC.gov.

SEC and CFTC Jointly Propose Amendments to Reduce Private Fund Reporting Burdens

On April 20, 2026, the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) jointly proposed amendments to Form PF, the confidential reporting form used by certain SEC-registered investment advisers to private funds, including those also registered with the CFTC. The proposal is designed to reduce reporting burdens while continuing to provide regulators and the Financial Stability Oversight Council (FSOC) with the information needed to monitor systemic risk and protect investors.

SEC Chairman Paul S. Atkins emphasized that prior amendments had imposed overly burdensome disclosure requirements, distracting advisers from their core investment functions without sufficient regulatory benefit. CFTC Chairman Michael S. Selig highlighted that raising thresholds and streamlining Form PF would help eliminate unnecessary costs and burdens.

The proposal would raise the filing threshold for private fund advisers from $150 million to $1 billion in assets under management, eliminating filing requirements for nearly half of current filers. It would also raise the exposure reporting threshold for “large” hedge fund advisers from $1.5 billion to $10 billion. These changes mean Form PF would still capture information on over 90 percent of private fund gross assets, while requiring detailed exposure data only from the largest hedge fund managers. The amendments would also introduce a method to identify funds active in the private credit market and streamline or eliminate many existing requirements, significantly reducing compliance burdens.

The proposing release will be published in the Federal Register, with a public comment period open for 60 days following publication.

SEC Proposes Transformative Reforms to Help Public Companies Conduct Registered Offerings and Simplify Reporting Requirements

On May 19, 2026, the Securities and Exchange Commission proposed sweeping reforms to modernize its rules and forms governing registered offerings and simplify public company reporting requirements. The proposals aim to increase efficiency, flexibility, and cost savings for public companies while maintaining strong investor protections. They also seek to better align disclosure obligations with a company’s size and maturity, addressing concerns that compounding regulatory requirements have contributed to a decline in the number of public companies.

The registered offering reform proposal would mark the most significant modernization of the framework in over two decades. It would expand access to shelf offerings, extend registration and communication flexibilities to more issuers, allow broker dealer research coverage for a broader set of companies, and preempt state securities law registration requirements for all registered offerings. Additional streamlining measures include permitting incorporation by reference into Form S 1 and expanding advertising access for certain insurance products.

The filer status and emerging growth company accommodations reform would extend scaled disclosure and accommodations to approximately 81 percent of public companies, with new issuers benefiting for at least five years. The threshold for becoming a large accelerated filer would rise from $700 million to $2 billion, and companies would not be classified as large accelerated filers for at least 60 months post IPO. Non accelerated filers would gain nearly all accommodations currently available to smaller companies, including exemption from auditor attestation of internal controls. A new subcategory of small non accelerated filers would receive additional time to file annual and quarterly reports, reducing compliance costs for the smallest 18 percent of public companies.

SEC Chairman Paul S. Atkins described the proposals as foundational to his agenda to “Make IPOs Great Again,” emphasizing their role in incentivizing small and mid-sized companies to go public and remain public. The public comment period for both proposals will remain open for 60 days following publication in the Federal Register.

SEC Proposes Rescission of Climate-Related Disclosure Rules

On May 29, 2026, the Securities and Exchange Commission proposed rescinding its climate-related disclosure rules, which had required companies to include detailed climate information in registration statements and annual reports. The Commission explained that the rules were overly burdensome, costly, and exceeded its statutory authority, and emphasized a return to a materiality-focused approach to securities regulation. SEC Chairman Paul S. Atkins stated that disclosure obligations should be guided by materiality, avoid dictating corporate behavior, and only be imposed when benefits outweigh costs.

The climate disclosure rules, adopted in March 2024, mandated granular reporting on greenhouse gas emissions, climate risk management, and financial impacts of severe weather events. However, the rules were stayed in April 2024 pending litigation, and in March 2025 the SEC voted to end its defense of them. In September 2025, the Eighth Circuit Court of Appeals held the petitions for review in abeyance until the Commission reconsidered the rules or renewed its defense.

The SEC now proposes to rescind the rules entirely, citing several reasons: they are unnecessary and inconsistent with a registrant-specific, materiality-based disclosure framework; they stray beyond the scope of federal securities laws; they impose unjustified costs on companies and shareholders; and they conflict with the Commission's objectives of facilitating capital formation and encouraging public company status. The public comment period will remain open for 60 days following publication in the Federal Register.

SEC Proposes Rescission of Regulation NMS Rules 611 and 610(e)

On June 11, 2026, the Securities and Exchange Commission proposed rescinding Rules 611 and 610(e) of Regulation NMS (National Market System), along with related defined terms and conforming provisions. Rule 611, known as the trade through prohibition, prevents trades from occurring at prices inferior to protected quotations in national market system stocks. Rule 610(e) restricts locking and crossing quotations in those same stocks. SEC Chairman Paul S. Atkins explained that after two decades, Rule 611 has produced unintended consequences that hindered rather than enhanced market growth. The rescission is intended to simplify market structure, reduce costs for participants, and allow competition and innovation to drive the evolution of equity markets. The proposing release will be published in the Federal Register, with a public comment period open for 60 days following publication.

04 Appendix A: FASB – Current Projects

The table below lists the summary & status of projects related to recognition & measurement and presentation & disclosure that FASB is currently working on:

Topic	Summary	Status as of July 20, 2026	Next Steps
Recognition & Measurement Projects			
Accounting for Commodities	The Board added this project to improve the accounting for certain commodity inventories in response to feedback received through the 2025 Agenda Consultation and other stakeholder outreach. The project focuses on tangible commodity inventories held by entities within the scope of Topic 942, Financial Services—Depository and Lending. The Board is evaluating a fair value measurement alternative for certain commodity inventories and related disclosure requirements to better reflect the economics of these holdings and improve the usefulness of financial reporting.	The Board has continued deliberations on the project and has made tentative decisions regarding scope, measurement, disclosures, transition requirements, and early adoption. The Board has concluded that it has sufficient information to proceed and directed the staff to draft a proposed Accounting Standards Update for vote by written ballot. FASB Project Summary, Accounting for Commodities.	The proposal is expected to be issued for public comment with a 45-day comment period, after which the Board will consider stakeholder feedback and determine future standard-setting actions. FASB Project Summary, Accounting for Commodities.
Accounting for Debt Exchanges	The Board has an ongoing project to improve and clarify guidance on determining whether exchanges of debt instruments should be accounted for as extinguishments or modifications. The project seeks to reduce diversity in practice by providing clearer application guidance on assessing whether terms are substantially different and how fees and costs should be treated.	The Board has completed significant deliberations and progressed toward finalizing its conclusions on key technical issues.	The Board is continuing its work on the project. Future standard-setting actions, including the potential issuance of a final Accounting Standards Update, will depend on the outcome of the Board's ongoing deliberations and due process activities.

Topic	Summary	Status as of July 20, 2026	Next Steps
Accounting for Transfer of Crypto Assets	On November 19, 2025, the Board added a project to its technical agenda to address the accounting for transfers of crypto assets. The project includes expanding the scope of Subtopic 350-60 to include wrapped tokens and receipt tokens and clarifying the derecognition guidance to assess whether control of a crypto asset has been transferred in various arrangements, including crypto lending and repurchase-type transactions.	The Board has begun deliberations on the project. To date, discussions have focused on expanding the scope of Subtopic 350-60 to address certain crypto assets and related disclosure considerations. Additional deliberations are expected on derecognition guidance for crypto asset transfer arrangements.	The Board plans to continue deliberating derecognition and transfer-related issues in future meetings as it evaluates whether additional standard-setting is warranted.
Accounting for Nonrefundable Transferable Tax Credits	The Board added a project (following stakeholder feedback received during 2023–2024 agenda consultations) to address recognition and measurement of nonrefundable transferable tax credits, including classification within or outside the income tax model.	During 2025 and continuing into 2026, the Board has been actively deliberating key issues, including measurement and presentation.	The Board will continue deliberations throughout 2026 and determine timing for a proposed Accounting Standards Update.
Application of Topic 715 to Market-Return Cash Balance Plans	The Board added this project to address diversity in practice in accounting for market-return cash balance pension plans. An Exposure Draft was issued in 2026 to clarify measurement of obligations and related accounting.	The Exposure Draft is currently open for comment, with comments due on August 10, 2026.	Following the close of the comment period, the Board is expected to review stakeholder feedback and determine the appropriate next steps, which may include redeliberations.
Definition of Common Control	The Board added a project (initially discussed during 2023–2024) to establish a clearer definition of common control to reduce diversity in practice, including evaluation of ownership and contractual arrangements.	The Board has been actively deliberating the project through 2025 and 2026.	The Board will continue deliberations during 2026, with potential issuance of an Exposure Draft thereafter.
Equity Method of Accounting: Targeted Improvements	The Board added this project to address specific issues in applying the equity method, including basis differences and ownership changes, with discussions occurring through 2024 and 2025.	The Board continues to evaluate potential improvements to the equity method guidance and is developing its views on key technical matters.	Future due-process activities, including the potential issuance of an Exposure Draft, will depend on the Board's ongoing deliberations and technical conclusions.

Topic	Summary	Status as of July 20, 2026	Next Steps
Fair Value Hedging—Portfolio Layer Method for Liabilities	The Board added this project to expand hedge accounting guidance to include liabilities under the portfolio layer method, with discussions ongoing since 2024.	The Board continues deliberations through 2025 and 2026, focusing on application and operational issues.	Further deliberations will continue during 2026, with potential next steps including proposal development.
Indexation—Debt and Equity	The Board added a project to clarify the evaluation of indexation features affecting classification of instruments as debt or equity, with work progressing through 2025.	The Board continues to evaluate potential improvements to the guidance related to indexation features and the classification of debt and equity instruments.	The timing of any future proposal will be determined as the Board progresses through its deliberations and due-process requirements.
Investment Companies—Contractual Sale Restrictions	The Board added this project to determine whether contractual sale restrictions should affect fair value measurement, with deliberations beginning in 2025.	The Board is evaluating stakeholder feedback and technical issues related to whether contractual sale restrictions should affect fair value measurement	The Board will continue its analysis and determine the timing and nature of any future standard-setting activities.
Mortgage Servicing Rights—Recapture	The Board added this project to improve guidance on accounting for recapture of mortgage servicing rights, particularly in refinancing scenarios, with discussions occurring during 2025.	The Board is developing proposed guidance	The Board will continue evaluating potential improvements to the guidance and determine appropriate next steps through its normal due-process procedures.
Subjective Acceleration Clauses and Debt Default Disclosures	The Board added a project to improve guidance on subjective acceleration clauses and related disclosures in debt agreements, particularly when such clauses could trigger default.	The Board is preparing proposed amendments during 2025–2026.	The Board is continuing to assess the issues raised by stakeholders and will determine whether and when to issue a proposal for public comment.

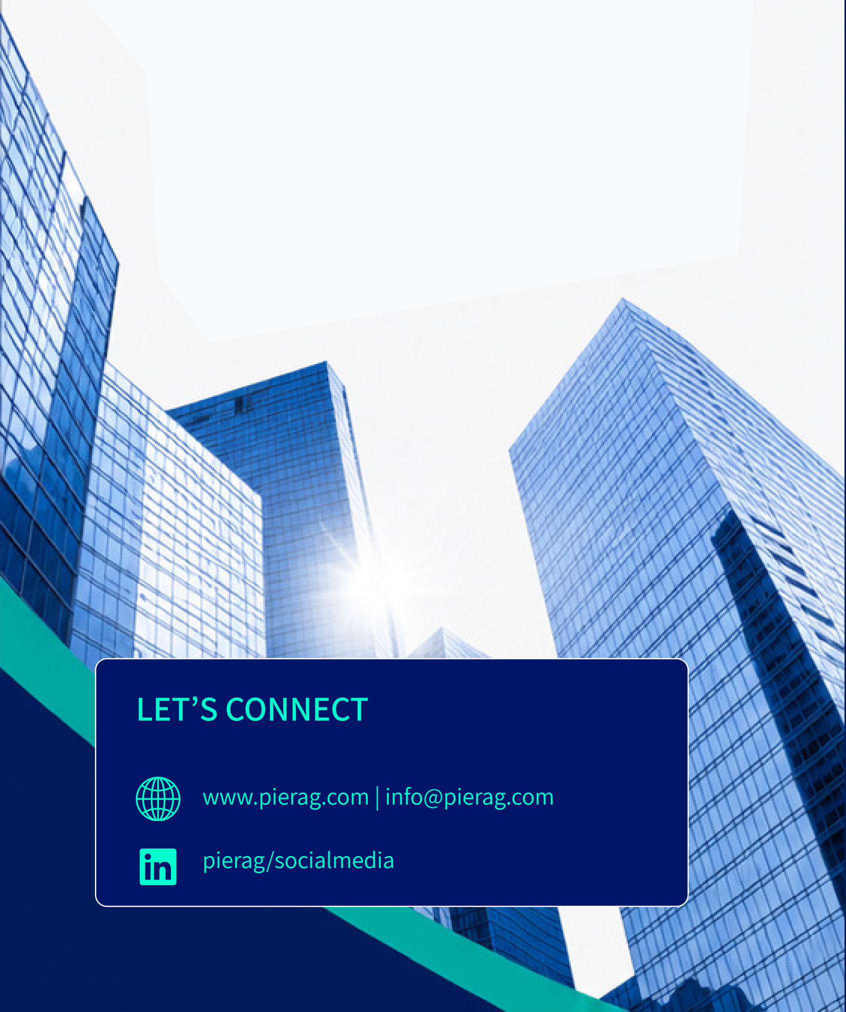
Presentation & Disclosure Projects/Other Technical Projects

Topic	Summary	Status as of July 20, 2026	Next Steps
Cash Equivalents—Disclosure Enhancement and Classification of Certain Digital Assets	Disclosure Enhancement and Classification of Certain Digital Assets. In October 2025, the Board added a project to clarify whether certain digital assets, including stablecoins, may qualify as cash equivalents and to enhance related disclosures, following stakeholder outreach and feedback.	The Board has been evaluating approaches and stakeholder feedback during late 2025 and 2026.	The Board will continue evaluating accounting and disclosure issues related to certain digital assets and determine future standard-setting actions as the project progresses.
Codification Improvements (Evergreen)	The Board maintains an ongoing project to improve the Codification by making incremental updates and clarifications, with periodic proposals issued over time.	This is a continuous project active throughout 2025 and 2026.	As part of this ongoing project, the Board may periodically issue proposed amendments to improve and clarify the Codification as needed.
Private Credit Disclosures	The Board added a project to enhance disclosure requirements for private credit investments, with discussions beginning in 2025 in response to increasing market significance.	The Board is actively deliberating the project during 2026.	The Board will continue deliberations during 2026 and determine timing for a proposed update.
Targeted Improvements to Accounting for Interest Rate Risk Hedging and Net Investment Hedging	The Board added a project to improve hedge accounting requirements, particularly for interest rate risk hedging and net investment hedging strategies, with an Exposure Draft issued in 2026.	The Exposure Draft comment period is open, with comments due on August 17, 2026.	The Board will redeliberate the proposal following the comment deadline in late 2026.

ABOUT US

Pierag Consulting was founded in February 2021 by Abhishek Gupta, Thomas Raffa and Pierian Services as a unique business model to serve clients globally by blending domestic proficiency with global expertise. Since then, we have been serving prominent clients across the US, SEA, India and UK in the field of Accounting Advisory, Business Risk, Technology Risk, Assurance, ESG & Sustainability, Deals Advisory, Tax and Digital.

With highly skilled team members, we are fueled by our purpose of ‘Inspiring people to do things that inspires them’ and our values of ‘Excellence, Equity & Empathy’.



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