

New Accounting Standards Upcoming Effective Dates for Public and Private Companies

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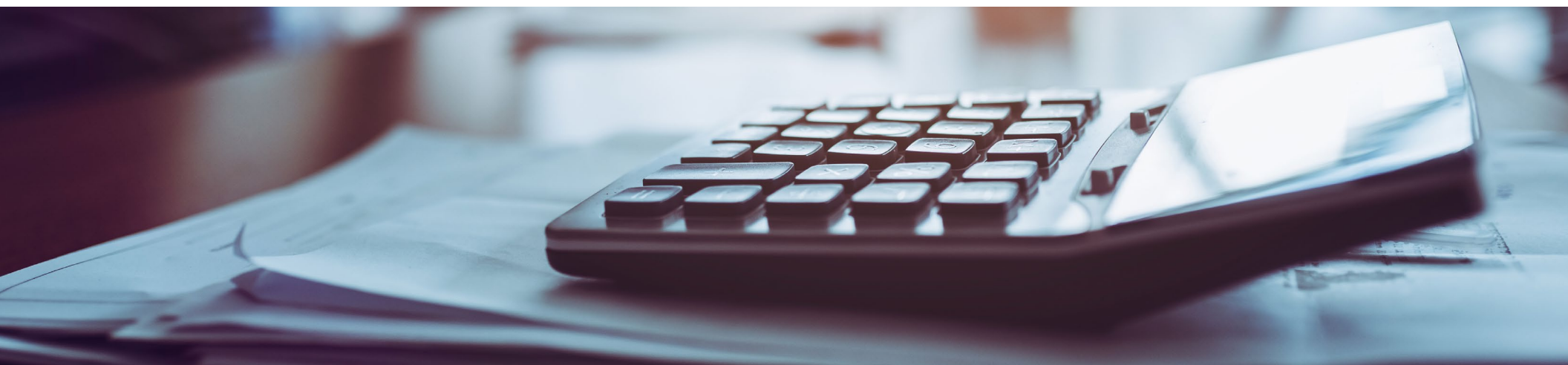
This publication summarizes the new accounting standards with mandatory¹ effective dates in the first quarter of 2026 for public entities, as well as new standards that take effect in annual 2025 financial statements for nonpublic entities. We have also included links to BDO's guidance on each pronouncement as applicable.

In the next filing season, calendar year-end public entities will prepare their annual 2025 financial statements, followed closely by their March 31, 2026, first quarter reports. Under SAB 74, entities will disclose in their 2025 annual filings the expected impact of adopting the FASB's new standards on their financial statements. Standards issued after this publication's date are unlikely to affect first-quarter financial statements, but entities must consider them in preparing SAB 74 disclosures.

On a similar timeline, calendar year-end nonpublic entities will prepare their annual 2025 financial statements reflecting standards that took effect in 2025. While most of the new standards address narrow topics, nonpublic insurance entities that report on a calendar year will adopt the changes to accounting for long-duration insurance effective as of the year-end reporting date of December 31, 2025, which may require significant effort.

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

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



ACCOUNTING STANDARDS UPDATES EFFECTIVE FOR CALENDAR-YEAR PUBLIC ENTITIES AS OF JANUARY 1, 2026

PRONOUNCEMENT	EFFECTIVE DATE	BDO BULLETIN
ASC 326, Financial Instruments — Credit Losses		
ASU 2025-05 , Measurement of Credit Losses for Accounts Receivable and Contract Assets	Effective for fiscal years beginning after December 15, 2025, and interim periods within those fiscal years.	Measurement of Credit Losses for Accounts Receivable And Contract Assets
ASC 470-20, Debt — Debt with Conversion and Other Options		
ASU 2024-04 , <i>Induced Conversions of Convertible Debt Instruments</i>	<p>Effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods.</p> <p>Early adoption is permitted as of beginning of annual period for all entities that have adopted the amendments in ASU 2020-06, <i>Accounting for Convertible Instruments and Contracts in an Entity's Own Equity</i> under ASC 470-20, <i>Debt — Debt with Conversion and Other Options</i> and ASC 815-40, <i>Derivatives and Hedging — Contracts in Entity's Own Equity</i>.</p>	Induced Conversions of Convertible Debt Instruments

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

PRONOUNCEMENT	EFFECTIVE DATE	BDO BULLETIN
ASC 323, Investments — Equity Method and Joint Ventures		
<u>ASU 2023-02</u> , <i>Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method</i>	Effective for fiscal years beginning after December 15, 2024, and interim periods within those fiscal years.	<u>Investments in Tax Credit Structures and the Proportional Amortization Method</u> <u>Equity Method Investments Under ASC 323</u>
ASC 350-60, Intangibles — Goodwill and Other — Crypto Assets		
<u>ASU 2023-08</u> , <i>Accounting for and Disclosure of Crypto Assets</i>	Effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years.	<u>FASB Issues Accounting Standard for Certain Crypto Assets</u> <u>Accounting for Cryptocurrencies</u>
ASC 805-60, Business Combinations — Joint Venture Formations		
<u>ASU 2023-05</u> , <i>Recognition and Initial Measurement</i>	Effective for joint ventures formed on or after January 1, 2025	<u>Joint Venture Formations</u> <u>Business Combinations Under ASC 805</u>
ASC 820, Fair Value Measurement		
<u>ASU 2022-03</u> , <i>Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions</i>	Effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years.	<u>Fair Value Measurement – Equity Securities Subject to Contractual Sale Restrictions</u>
ASC 944, Financial Services — Insurance		
<u>ASU 2020-11</u> , <i>Effective date and early application to</i> <u>ASU 2018-12</u> , <i>Targeted Improvements to the Accounting for Long-Duration Contracts (Insurance)</i>	Effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025.	<u>FASB Improves Accounting for Long-Duration Contracts</u>

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