

855 - Subsequent Events

855-10 - Overall

855-10-00 - Status

General Note: The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

General

855-10-00-1 The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
Conduit Debt Securities	Added	Accounting Standards Update No. 2014-06	03/14/2014
Public Entity	Superseded	Accounting Standards Update No. 2010-09	02/24/2010
Revised Financial Statements	Added	Accounting Standards Update No. 2010-09	02/24/2010
Securities and Exchange Commission (SEC) Filer	Added	Accounting Standards Update No. 2010-09	02/24/2010
855-10-25-1A	Amended	Accounting Standards Update No. 2014-06	03/14/2014
855-10-25-1A	Added	Accounting Standards Update No. 2010-09	02/24/2010
855-10-25-1A	Amended	Accounting Standards Update No. 2010-09	02/24/2010
855-10-25-2	Amended	Accounting Standards Update No. 2010-09	02/24/2010
855-10-50-1	Amended	Accounting Standards Update No. 2010-09	02/24/2010
855-10-50-4	Amended	Accounting Standards Update No. 2010-09	02/24/2010
855-10-50-5	Added	Accounting Standards Update No. 2010-09	02/24/2010
855-10-55-1	Amended	Accounting Standards Update No. 2016-13	06/16/2016
855-10-55-2	Amended	Accounting Standards Update No. 2016-13	06/16/2016
855-10-60-3	Superseded	Accounting Standards Update No. 2012-07	10/24/2012
855-10-60-4	Superseded	Accounting Standards Update	05/28/2014

855-10-05 - Overview and Background

General Note: The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

General

855-10-05-1 This Topic provides guidance on principles and requirements for subsequent events.

855-10-05-2 Paragraph not used.

855-10-05-3 Paragraph not used.

855-10-05-4 Paragraph not used.

855-10-05-5 Paragraph not used.

855-10-15 - Scope and Scope Exceptions

General Note: The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

General

Overall Guidance

855-10-15-1 The Scope Section of the Overall Subtopic establishes the pervasive scope for the Subsequent Events Topic.

Entities

855-10-15-2 The guidance in the Subsequent Events Topic applies to all entities.

Transactions

855-10-15-3 The guidance in the Subsequent Events Topic shall be applied in the accounting for, and disclosure of, subsequent events not addressed in other Topics of the Codification.

855-10-15-4 Other Topics may address the accounting treatment of events or transactions that occur after the balance sheet date. If an event or transaction is within the scope of another Topic, then an entity shall follow the guidance in that Topic, rather than the guidance in this Topic.

855-10-15-5 The following are examples (not collectively exhaustive) of other subsequent events guidance that is not consistent with the principles in this Topic for the recognition and disclosure of events or transactions that occur after the balance sheet date.

- a. Income Taxes-See paragraph [740-10-25-15](#) for guidance on changes in judgment after the balance sheet date that results in subsequent recognition, derecognition, or change in measurement of a tax position taken in a prior annual period.
- b. Earnings per Share-See paragraph [260-10-55-12](#) for guidance on the effect on earnings per share of changes in the number of common shares as a result of a stock dividend or stock split that occurs after the balance sheet date but before the financial statements are issued or are available to be issued.
- c. Gain Contingencies-See paragraph [450-30-25-1](#) for guidance on gain contingencies

that are rarely recognized after the balance sheet date but before the financial statements are issued or are available to be issued.

855-10-20 - Glossary

General Note: The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

Conduit Debt Securities

Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing financing for a specific third party (the conduit bond obligor) that is not a part of the state or local government's financial reporting entity. Although conduit debt securities bear the name of the governmental entity that issues them, the governmental entity often has no obligation for such debt beyond the resources provided by a lease or loan agreement with the third party on whose behalf the securities are issued. Further, the conduit bond obligor is responsible for any future financial reporting requirements.

Financial Statements Are Available to Be Issued

Financial statements are considered available to be issued when they are complete in a form and format that complies with GAAP and all approvals necessary for issuance have been obtained, for example, from management, the board of directors, and/or significant shareholders. The process involved in creating and distributing the financial statements will vary depending on an entity's management and corporate governance structure as well as statutory and regulatory requirements.

Financial Statements Are Issued

Financial statements are considered issued when they are widely distributed to shareholders and other financial statement users for general use and reliance in a form and format that complies with GAAP. (U.S. Securities and Exchange Commission [SEC] registrants also are required to consider the guidance in paragraph [855-10-S99-2](#).)

Revised Financial Statements

Financial statements revised only for either of the following conditions:

- a. Correction of an error
- b. Retrospective application of U.S. GAAP.

Securities and Exchange Commission (SEC) Filer

An entity that is required to file or furnish its financial statements with either of the following:

- a. The Securities and Exchange Commission (SEC)
- b. With respect to an entity subject to Section 12(i) of the Securities Exchange Act of 1934, as amended, the appropriate agency under that Section.

Financial statements for other entities that are not otherwise SEC filers whose financial statements are included in a submission by another SEC filer are not included within this definition.

Subsequent Events

Events or transactions that occur after the balance sheet date but before available to be issued. There are two types of subsequent events:

- a. The first type consists of events or transactions that provide additional evidence about conditions

that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events).

- b. The second type consists of events that provide evidence about conditions that did not exist at the date of the balance sheet but arose subsequent to that date (that is, nonrecognized subsequent events).

855-10-25 - Recognition

General Note: The Recognition Section provides guidance on the required criteria, timing, and location (within the financial statements) for recording a particular item in the financial statements. Disclosure is not recognition.

General

Recognized Subsequent Events

Evidence about Conditions That Existed at the Date of the Balance Sheet

855-10-25-1 An entity shall recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements. See paragraph [855-10-55-1](#) for examples of recognized subsequent events.

855-10-25-1A An entity that meets either of the following criteria shall evaluate subsequent events through the date the financial statements are issued:

- a. It is an SEC filer.
- b. It is a conduit bond obligor for conduit debt securities that are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets).

855-10-25-2 An entity that meets neither criteria in the preceding paragraph shall evaluate subsequent events through the date that the financial statements are available to be issued.

Nonrecognized Subsequent Events

Evidence about Conditions That Did Not Exist at the Date of the Balance Sheet

855-10-25-3 An entity shall not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date but before financial statements are issued or are available to be issued. See paragraph [855-10-55-2](#) for examples of nonrecognized subsequent events.

Reissuance of Financial Statements

855-10-25-4 An entity may need to reissue financial statements, for example, in reports filed with the SEC or other regulatory agencies. After the original issuance of the financial statements, events or transactions may have occurred that require disclosure in the reissued financial statements to keep them from being misleading. An entity shall not recognize events occurring between the time the financial statements were issued or were available to be issued and the time the financial statements were reissued unless the adjustment is required by GAAP or regulatory requirements. Similarly, an entity shall not recognize events or transactions occurring after the financial statements were issued or were available to be issued in financial statements that are later reissued in comparative form along with financial statements of subsequent periods unless the adjustment meets the criteria stated in this paragraph.

855-10-45 - Other Presentation Matters

General Note: The Other Presentation Matters Section provides guidance on other presentation matters not addressed in the Recognition, Initial Measurement, Subsequent Measurement, and Derecognition Sections. Other presentation matters may include items such as current or long-term balance sheet classification, cash flow presentation, earnings per share matters, and so forth. The FASB Codification also contains Presentation Topics,

which provide guidance for general presentation and display items. See those Topics for general guidance.

General

Nonrecognized Subsequent Events

855-10-45-1 As indicated in paragraph [855-10-50-3](#), in some situations, an entity also shall consider presenting pro forma statements, usually a balance sheet only, in columnar form on the face of the historical statements.

855-10-50 - Disclosure

General Note: The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

General

Date Through Which Subsequent Events Have Been Evaluated

855-10-50-1 If an entity is not an SEC filer, then the entity shall disclose both of the following:

- a. The date through which subsequent events have been evaluated
- b. Whether that date is either of the following:
 1. The date the financial statements were issued
 2. The date the financial statements were available to be issued.

Nonrecognized Subsequent Events

855-10-50-2 Some nonrecognized subsequent events may be of such a nature that they must be disclosed to keep the financial statements from being misleading. For such events, an entity shall disclose the following:

- a. The nature of the event
- b. An estimate of its financial effect, or a statement that such an estimate cannot be made.

855-10-50-3 An entity also shall consider supplementing the historical financial statements with pro forma financial data. Occasionally, a nonrecognized subsequent event may be so significant that disclosure can best be made by means of pro forma financial data. Such data shall give effect to the event as if it had occurred on the balance sheet date. In some situations, an entity also shall consider presenting pro forma statements, usually a balance sheet only, in columnar form on the face of the historical statements.

Revised Financial Statements

855-10-50-4 Unless the entity is an SEC filer, an entity shall disclose in the revised financial statements the dates through which subsequent events have been evaluated in both of the following:

- a. The issued or available-to-be-issued financial statements
- b. The revised financial statements.

855-10-50-5 Revised financial statements are considered reissued financial statements. For guidance on the recognition of subsequent events in reissued financial statements, see paragraph [855-10-25-4](#).

855-10-55 - Implementation Guidance and Illustrations

General Note: The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

General

Implementation Guidance

Recognized Subsequent Events

855-10-55-1 The following are examples of recognized subsequent events addressed in paragraph [855-10-25-1](#):

- a. If the events that gave rise to litigation had taken place before the balance sheet date and that litigation is settled after the balance sheet date but before the financial statements are issued or are available to be issued, for an amount different from the liability recorded in the accounts, then the settlement amount should be considered in estimating the amount of liability recognized in the financial statements at the balance sheet date.
- b. Subsequent events affecting the realization of assets, such as inventories, or the settlement of estimated liabilities, should be recognized in the financial statements when those events represent the culmination of conditions that existed over a relatively long period of time.

Nonrecognized Subsequent Events

855-10-55-2 The following are examples of nonrecognized subsequent events addressed in paragraph [855-10-25-3](#):

- a. Sale of a bond or capital stock issued after the balance sheet date but before financial statements are issued or are available to be issued
- b. A business combination that occurs after the balance sheet date but before financial statements are issued or are available to be issued (Topic [805](#) requires specific disclosures in such cases.)
- c. Settlement of litigation when the event giving rise to the claim took place after the balance sheet date but before financial statements are issued or are available to be issued
- d. Loss of plant or inventories as a result of fire or natural disaster that occurred after the balance sheet date but before financial statements are issued or are available to be issued
- e. Changes in estimated credit losses on receivables arising after the balance sheet date but before financial statements are issued or are available to be issued
- f. Changes in the fair value of assets or liabilities (financial or nonfinancial) or foreign exchange rates after the balance sheet date but before financial statements are issued or are available to be issued
- g. Entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees after the balance sheet date but before financial statements are issued or are available to be issued.

855-10-60 - Relationships

General Note: The Relationships Section contains links to guidance that may be helpful to, but not required by, a user of the Subtopic. This Section may not be all-inclusive. The relationship items are organized according to the Topic structure in the Codification.

General

Property, Plant, and Equipment

- 855-10-60-1 For guidance on the classification of a long-lived asset to be sold when held-for-sale criteria are met after the balance sheet date but before the financial statements are issued or are available to be issued (as discussed in Section [855-10-25](#)), see paragraph [360-10-45-13](#).

Income Taxes

- 855-10-60-2 For guidance on accounting and disclosure when an election to change an entity's tax status is approved by the tax authority (or filed, if approval is not necessary) early in Year 2 and before the financial statements for Year 1 are issued or are available to be issued (as discussed in Section [855-10-25](#)), see paragraphs [740-10-25-34](#), [740-10-50-4](#), and [740-10-55-48](#).

- 855-10-60-3 [Paragraph superseded by Accounting Standards Update No. 2012-07.](#)

- 855-10-60-4 [Paragraph superseded by Accounting Standards Update No. 2014-09.](#)

855-10-65 - Transition and Open Effective Date Information

General Note: The Transition Section contains a description of the required transition provisions and a list of the related paragraphs that have been modified. This Section will retain the transition content during the transition period. After the transition period, the transition content will be removed yet will be available in archived versions of the Section.

General

- 855-10-65-1 Paragraph superseded on 12/15/2010 after the end of the transition period stated in Accounting Standards Update No. 2010-09, Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements.

855-10-S00 - Status

General Note: The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

General

- 855-10-S00-1 The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
855-10-S99-2	Amended	Accounting Standards Update No. 2010-04	01/15/2010

855-10-S20 - Glossary

General Note: The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

Issuance of Financial Statements

See paragraph [855-10-S99-2](#), SEC Staff Announcement: Issuance of Financial Statements, for SEC Staff views on when financial statements are deemed to be issued.

855-10-S25 - Recognition

General Note: The Recognition Section provides guidance on the required criteria, timing, and location (within the financial statements) for recording a particular item in the financial statements. Disclosure is not recognition.

General

Type I Subsequent Events

855-10-S25-1 See paragraph [855-10-S99-2](#), SEC Staff Announcement: Issuance of Financial Statements, for SEC Staff views on the accounting for Type I subsequent events.

Dividends Declared by the Subsidiary after the Balance Sheet Date

855-10-S25-2 See paragraph [855-10-S99-1](#), SAB Topic 1.B.3, for SEC Staff views on the recognition of dividends declared after the balance sheet date.

855-10-S50 - Disclosure

General Note: The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

General

Dividends Declared by a Subsidiary After the Balance Sheet Date

855-10-S50-1 See paragraph [855-10-S99-1](#), SAB Topic 1.B.3, for SEC Staff views on disclosure of dividends declared after the balance sheet date.

855-10-S99 - SEC Materials

General Note: As more fully described in [About the Codification](#), the Codification includes selected SEC and SEC Staff content for reference by public companies. The Codification does not replace or affect how the SEC or SEC Staff issues or updates SEC content. SEC Staff content does not constitute Commission-approved rules or interpretations of the SEC.

General

SEC Staff Guidance

Staff Accounting Bulletins

SAB Topic 1.B.3, Other Matters

855-10-S99-1 The following is the text of SAB Topic 1.B.3, Other Matters.

Question: What is the staff's position with respect to dividends declared by the subsidiary subsequent to the balance sheet date?

Interpretive Response: The staff believes that such dividends either be given retroactive effect in the balance sheet with appropriate footnote disclosure, or reflected in a pro forma balance sheet. In addition, when the dividends are to be paid from the proceeds of the offering, the staff believes it is appropriate to include pro forma per share data (for the latest year and interim period only) giving effect to the number of shares whose proceeds were to be used to pay the dividend. A similar presentation is appropriate when dividends exceed earnings in the current year, even though the stated use of proceeds is other than for the payment of dividends. In these situations, pro forma per share data should give effect to the increase in the number of shares which, when multiplied by the offering price, would be sufficient to replace the capital in excess of earnings being withdrawn.

Announcements Made by SEC Staff at Emerging Issues Task Force (EITF) Meetings

SEC Staff Announcement: Issuance of Financial Statements

855-10-S99-2 The following is the text of SEC Staff Announcement: Issuance of Financial Statements.

In considering when financial statements have been issued, the SEC staff observed that Rules 10b-5 and 12b-20 under the Securities Exchange Act of 1934 and General Instruction C(3) to Form 10-K specify that financial statements must not be misleading as

of the date they are filed with the Commission. For example, assume that a registrant widely distributes its financial statements but, before filing them with the Commission, the registrant or its auditor becomes aware of an event or transaction that existed at the date of the financial statements that causes those financial statements to be materially misleading. If a registrant does not amend those financial statements so that they are free of material misstatement or omissions when they are filed with the Commission, the registrant will be knowingly filing a false and misleading document. In addition, registrants are reminded of their responsibility to, at a minimum, disclose subsequent events, FN1 while independent auditors are reminded of their responsibility to assess subsequent events FN2 and evaluate the impact of the events or transactions on their audit report. FN3

FN1 See AU Section 560, Subsequent Events, paragraphs 5 and 8 and Section [855-10-50](#).

FN2 See AU 560 and AU Section 561, Subsequent Discovery of Facts Existing at Date of the Auditor's Report.

FN3 See AU Section 530, Dating of the Independent Auditor's Report, and AU 560, paragraph 9.

A registrant and its independent auditor have responsibilities with regard to post-balance-sheet-date subsequent events, as well as the application of authoritative literature applicable to such events. See Topic [855](#) and AU 560, Subsequent Events, paragraph 3.

Generally, the staff believes that financial statements are "issued" as of the date they are distributed for general use and reliance in a form and format that complies with generally accepted accounting principles (GAAP) and, in the case of annual financial statements, that contain an audit report that indicates that the auditors have complied with generally accepted auditing standards (GAAS) in completing their audit. Issuance of financial statements then would generally be the earlier of when the annual or quarterly financial statements are widely distributed to all shareholders and other financial statement users FN4 or filed with the Commission. Furthermore, the issuance of an earnings release does not constitute issuance of financial statements because the earnings release would not be in a form and format that complies with GAAP and GAAS.

FN4 Posting financial statements to a registrant's web site would be considered wide distribution to all shareholders and other financial statement users if the registrant uses its web site to disclose information to the public in a manner consistent with the requirements of Regulation FD. See the Commission's interpretive guidance in Exchange Act Release No. 58288 (Aug. 7, 2008).