Statutory Accounting Principles (E) Working Group

**Maintenance Agenda Submission Form**

**Form A**

## **Issue: *ASU 2015-08, Business Combinations – Pushdown Accounting, Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115***

**Check (applicable entity):**

 P/C Life Health

Modification of existing SSAP [x]  [x]  [x]

New Issue or SSAP [ ]  [ ]  [ ]

Interpretation [ ]  [ ]  [ ]

Description of Issue:

## *ASU 2015-08, Business Combinations – Pushdown Accounting, Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115* (ASU 2015-08) was issued to provide Securities and Exchange Commission (SEC) guidance specific to pushdown accounting for Topic 805, Business Combinations. The guidance in ASU 2015-08 is specific to SEC registrants.

Existing Authoritative Literature:

*SSAP No. 68—Business Combinations and Goodwill* and *SSAP No. 97—Investments in Subsidiary, Controlled and Affiliated Entities* provide guidance on the accounting and reporting for business combinations, specific valuation methods for purchased entities and permissibility of pushdown accounting for statutory accounting.

Activity to Date (issues previously addressed by the Working Group, Emerging Accounting Issues (E) Working Group, SEC, FASB, other State Departments of Insurance or other NAIC groups): Agenda item 2019-12 includes a discussion of pushdown accounting for public and nonpublic entities.

**Information or issues (included in *Description of Issue*) not previously contemplated by the Working Group:**

None

**Convergence with International Financial Reporting Standards (IFRS):**

Currently, there is no guidance in IFRS on pushdown accounting as this is not a method of accounting that is accepted under IFRS.

Staff Recommendation:

Staff recommends that the Working Group move this item to the active listing, categorized as nonsubstantive and expose revisions to *Appendix D—Nonapplicable GAAP* Pronouncements to reject *ASU 2015-08, Business Combinations – Pushdown Accounting, Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115* as not applicable for statutory accounting.

Staff Review Completed by:

Fatima Sediqzad - NAIC Staff

March 2019

**Status:**

On April 6, 2019, the Statutory Accounting Principles (E) Working Group moved this agenda item to the active listing, categorized as nonsubstantive, and exposed revisions to *Appendix D—Nonapplicable GAAP* Pronouncements to reject *ASU 2015-08, Business Combinations – Pushdown Accounting, Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 115* as not applicable for statutory accounting.

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