

July 19, 2016

The Private Company Council (PCC) met on Tuesday, July 19, 2016. Below is a brief summary of issues addressed by the PCC at the meeting:

PCC Recommendations on FASB Projects

The PCC discussed the following FASB projects and made subsequent recommendations on:

- **[Liabilities and Equity Short-Term Improvements](#)**. A majority of the PCC expressed an interest toward recommending that the FASB consider a disclosure-only private company alternative for equity-classified instruments with “down round” features (strike price adjusts down based on the pricing of future equity offerings).
- **[Balance Sheet Classification of Debt](#)**. A majority of the PCC expressed an interest toward recommending that the FASB retain the current accounting for refinances in classifying debt as current or noncurrent.

Other FASB Projects

The FASB staff delivered updates (and the PCC provided input) on the following FASB projects:

- **[Disclosures by Business Entities about Government Assistance](#)**
- **[Research project on Financial Performance Reporting](#)**

Other Items

PCC members brought to the FASB’s attention the following matters:

- Practical difficulties caused by amendments in **[ASU 2015-10: Technical Corrections and Improvements](#)** concerning what constitutes “readily determinable fair value.”
- The need to eliminate (for private companies) the fair value disclosures for held-to-maturity debt securities (originally in FAS 115), similar to the elimination of that requirement for other financial instruments (originally in FAS 107) in **[ASU 2016-01: Financial Instruments, Recognition and Measurement of Financial Assets and Financial Liabilities](#)**

The next PCC meeting will be held on Friday, September 30, 2016. The PCC will hold a Private Company Town Hall on July 22, 2016 in conjunction with the AICPA National Advanced Accounting and Auditing Symposium (NAAATS) in Salt Lake City. For more information on PCC projects, visit the **[PCC website](#)**.

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PCC Media Meeting Recaps are provided for those interested in following the activities of the PCC. Official positions of the PCC and the FASB are reached only after extensive due process & deliberations. More details on the PCC’s input on the FASB’s projects can be found within the meeting minutes, which will be published on the PCC website in the coming weeks.