

l. Topic 2.D is modified to update the former references to APB Opinion 16 contained therein to the relevant portions of Statement 141, and to otherwise make the language in this guidance consistent with the provisions of Statement 141 and to delete portions of the guidance related to pooling-of-interests accounting.

m. Topic 2.E is deleted. The topic addressed the implications of risk sharing provisions on the classification of a combination as a pooling-of-interests. Since, under Statement 141, all combinations are treated as purchases, this guidance is no longer necessary.

n. Topic 2.F is deleted. This topic addressed the implications of treasury stock transactions following the consummation of a business combination on the classification of a combination as a pooling-of-interest. Since, under Statement 141, all combinations are treated as purchases, this guidance is no longer necessary.

### 3. Topic 3: Senior Securities

a. Topic 3.C is modified to include a reference to EIT Topic D-98 in the interpretive response to Question 1.

### 4. Topic 4: Equity Accounts

a. Topic 4.B is retitled. It previously referred to Subchapter S Corporations. Such entities are now referred to as S Corporations.

b. Topic 4.E is modified to revise the interpretive response to be consistent with revisions subsequently made in Rule 5-02.30 of Regulation S-X.

### 5. Topic 5: Miscellaneous Accounting

a. Topics 5.C.1 and 5.C.2 are deleted. These topics provided interpretive guidance related to the current recognition of tax loss carryforwards under APB Opinion 11, *Accounting for Income Taxes*. APB Opinion 11 has since been superseded by Statement 109 and the guidance contained in these topics is no longer relevant.

b. Topic 5.E, question 1 is modified to add an appropriate reference to FASB Interpretation 46.

c. Topic 5.E, question 2 is modified to remove, in the interpretive response, the reference to APB Opinion 30, since the relevant authoritative guidance that this response was referring to (accounting for the disposal of a segment of a business) has been superseded by Statement 144. Additionally, that interpretive response is modified to remove the reference to ASR 95, *Accounting for Real Estate Transactions Where Circumstances Indicate that Profits Were Not Earned at the Time the*

*Transactions Were Recorded*, which previously was rescinded.

d. Topic 5.F is modified to delete the reference in the interpretive response to Statement 8, *Accounting for the Translation of Foreign Currency Transactions and Foreign Currency Financial Statements*, which has since been superseded.

e. Topic 5.J, footnote 1 has been modified to reflect the fact that the FASB has not determined when or whether it will address push down accounting. Additionally, the interpretive response to question 3 has been modified to include reference to the guidance provided in Interpretation 45.

f. Topic 5.M is modified in order to conform this guidance with the provisions of Statement 115, *Accounting for Certain Investments in Debt and Equity Securities*, which superseded Statement 12, *Accounting for Certain Marketable Securities*. The guidance contained in question 1 of this interpretation continues to be relevant, because Statement 115, like Statement 12, requires a determination of whether a decline in the fair value of debt or equity securities is other than temporary. References to the applicable authoritative literature in the interpretive response to this question are changed, and the language in the interpretive response to question 1 is modified, to be consistent with the new authoritative guidance. Question 2 and the related interpretive response are deleted since Statement 115, paragraph 16 now provides relevant guidance on determining the amount of the write down when a decline in fair value is judged to be other than temporary.

g. Topics 5.P.1 and 5.P.2 are deleted. These topics provided interpretive guidance related to APB Opinion 30 and EITF Issues 94-3, *Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)*, and 95-3, *Recognition of Liabilities in Connection with a Purchase Business Combination*, as they applied to restructuring provisions. Statement 146 establishes standards for accruing liabilities related to exiting activities and requires that the liability be recorded when it has been incurred and that it be recorded at its fair value. Accordingly, the previous guidance provided in these topics is no longer needed.

h. Topic 5.P.3 is modified to delete the language that referred to the requirements of APB Opinion 30 regarding the reporting of discontinued operations, which has since been superseded by Statement 144. Footnote

13 of this guidance also has been modified and renumbered to make reference to Statement 131, *Disclosures about Segments of an Enterprise and Related Information*, which superseded Statement 14, *Financial Reporting for Segments of a Business Enterprise*. The guidance in this footnote continues to be relevant, considering the revisions hereby made, under Statement 131.

i. Topic 5.P.4 is modified to change the reference in former footnote 16 from Statement 38, *Accounting for Preacquisition Contingencies of Purchased Enterprises*, to Statement 141. Statement 141 superseded Statement 38, although the guidance in Statement 38 was carried forward into the new standard without reconsideration. Therefore, the guidance in this footnote remains relevant. Additionally, the topic is modified to reflect the disclosure requirements of Statement 146.

j. Topic 5.R is deleted. With the issuance of Statement 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, and Interpretation 39, *Offsetting of Amounts Related to Certain Contracts*, this guidance is no longer needed.

k. Topic 5.S, question 4 is modified to change the references in the interpretive response from Statement 96, *Accounting for Income Taxes*, to the relevant provisions in Statement 109. Although Statement 109 superseded Statement 96, the guidance in this interpretive response remains relevant, considering the revisions hereby made, because Statement 109 carried forward the same guidance contained in Statement 96 with respect to quasi-reorganizations.

l. Topic 5.T, footnote 2 is modified to remove reference to APB Opinion 16, which was superseded, and Topic 2.B, which is being deleted.

m. Topic 5.U is modified to add new footnotes 4 and 5 to clarify the guidance applicable to gain deferral situations.

n. Topic 5.V is modified to note that the interpretive guidance therein does not apply to sales of the residual equity in an entity holding nonperforming loans to an unrelated party. Instead, the provisions of Statement 140 apply to such transactions. Also, it is modified to add an appropriate reference to FASB Interpretation 46 and to delete the reference to EITF Topic D-14, *Transactions Involving Special-Purpose Entities*. In addition, footnote 5 has been modified to note that EITF Issue 87-17, *Spinoffs or Other Distributions of Loans Receivable to Shareholders*, was subsequently codified as issue 11 of EITF Issue 01-02, *Interpretations of APB Opinion No. 29*.