

# AICPA NEWS UPDATE

A weekly email newsletter to help AICPA members stay up to date with the business issues, events and changes in the accounting profession.

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### FASB Delays FIN 48 Effective Date for Private Companies

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On November 7, the FASB voted to defer the effective date of FIN 48 for all non-public entities to periods beginning after December 15, 2007. The FASB instructed the staff to develop an FASB Staff Position which will have a 30-day comment period once it is released. This action is a welcome response to a recent [letter](#) issued by the Private Company Financial Reporting Committee that recommended that FASB delay the effective date of FASB FIN No. 48, Accounting for Uncertainty in Income Taxes, for private companies.

The PCFRC worked to delay the FIN 48 effective date because it was concerned that many nonpublic entities and their CPA practitioners were not fully aware of the implications of FIN 48. These entities and practitioners have not had the necessary time to understand and apply the guidance required by FIN 48 before its effective date. In addition, many nonpublic entities and their CPA practitioners learned late in the process that FIN 48 does apply to pass-through entities. Given these circumstances, a deferral of the effective date for nonpublic entities is a tremendous help to private companies and their CPA practitioners. The deferral will provide more time to prepare and implement FIN 48. Moreover, the additional time will provide an opportunity for guidance on how FIN 48 affects pass-through entities to be made available.

The PCFRC has its roots in the 2005 AICPA PCFR Task Force and a May 2006 AICPA Council Resolution. In June 2006, the FASB and the AICPA issued a joint proposal which, among other things, led to the formation of the PCFRC.

To share your comments on the AICPA News Update, please send an email to [scarr@aicpa.org](mailto:scarr@aicpa.org).

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