

Center for Plain English Accounting

AICPA's National A&A Resource Center

ASU 2019-04 **Adjustments to Financial Instruments Standards**

On April 25, 2019, the FASB issued Accounting Standards Update (ASU) 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*. The amendments in ASU 2019-04 make clarifications and minor improvements related to the following recently issued accounting standards:

- ASU 2016-01, *Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*
- ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*
- ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*

After the issuance of those ASUs, the FASB assisted stakeholders in the implementation of the amendments as incorporated in the FASB *Accounting Standards Codification* (FASB ASC). Through this assistance, the FASB identified certain areas that need clarification and correction.

Within the ASU, a chart is provided to identify the FASB ASC topics affected and the nature of the amendments, which are too numerous to include in this Alert. And, the various amendments have different effective dates.

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