

# FINANCIAL ACCOUNTING SERIES

## ACCOUNTING STANDARDS UPDATE

No. 2015-15  
August 2015

### Interest—Imputation of Interest (Subtopic 835-30)

Presentation and Subsequent Measurement of  
Debt Issuance Costs Associated with  
Line-of-Credit Arrangements

Amendments to SEC Paragraphs Pursuant to Staff  
Announcement at June 18, 2015 EITF Meeting

An Amendment of the *FASB Accounting Standards Codification*®

Financial Accounting Standards Board

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# Amendments to the *FASB Accounting Standards Codification*<sup>®</sup>

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## Securities and Exchange Commission (SEC) Content

### Introduction

1. The Accounting Standards Codification is amended as described in paragraphs 2–4. In some cases, to put the change in context, not only are the amended paragraphs shown but also the preceding and following paragraphs. Added text is underlined, and deleted text is ~~struck out~~.

### Amendments Pursuant to the June 18, 2015 SEC Staff Announcement

*This Accounting Standards Update adds SEC paragraphs pursuant to the SEC Staff Announcement at the June 18, 2015 Emerging Issues Task Force (EITF) meeting about the presentation and subsequent measurement of debt issuance costs associated with line-of-credit arrangements.*

### Amendments to Subtopic 835-30

2. Add paragraph 835-30-S35-1 and its related headings, with no link to a transition paragraph, as follows:

#### **Interest—Imputation of Interest**

#### **Subsequent Measurement**

##### **> SEC Staff Guidance**

##### **>> SEC Staff Announcement at Emerging Issues Task Force (EITF) Meetings**

##### **>>> SEC Staff Announcement: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements**

**835-30-S35-1** See paragraph 835-30-S45-1, SEC Staff Announcement: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements, for SEC Staff views on the presentation and

subsequent measurement of debt issuance costs related to **line-of-credit arrangements**.

3. Add paragraph 835-30-S45-1 and its related headings, with no link to a transition paragraph, as follows:

### **Other Presentation Matters**

#### **> SEC Staff Guidance**

#### **> > SEC Staff Announcement at Emerging Issues Task Force (EITF) Meetings**

#### **> > > SEC Staff Announcement: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements**

**835-30-S45-1** On April 7, 2015, the FASB issued Accounting Standards Update 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*, which requires entities to present debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability. The guidance in Update 2015-03 (see paragraph 835-30-45-1A) does not address presentation or subsequent measurement of debt issuance costs related to **line-of-credit arrangements**.

Given the absence of authoritative guidance within Update 2015-03 for debt issuance costs related to line-of-credit arrangements, the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement.

4. Add paragraph 835-30-S00-1 as follows:

**835-30-S00-1** The following table identifies the changes made to this Subtopic.

<b>Paragraph</b>	<b>Action</b>	<b>Accounting Standards Update</b>	<b>Date</b>
<b>Line-of-Credit Arrangement</b>	Added	2015-15	08/18/2015
835-30-S35-1	Added	2015-15	08/18/2015
835-30-S45-1	Added	2015-15	08/18/2015



## Amendments to the XBRL Taxonomy

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The amendments to the *FASB Accounting Standards Codification*<sup>®</sup> in this Accounting Standards Update require changes to the U.S. GAAP Financial Reporting Taxonomy (Taxonomy). Those changes, which will be incorporated into the proposed 2016 Taxonomy, are available for public comment through ASU Taxonomy Changes provided at [www.fasb.org](http://www.fasb.org), and finalized as part of the annual release process starting in September 2015.