

November 1, 2010

Delayed Effectiveness of FASB Proposal on Disclosure of Certain Loss Contingencies

At its meeting held on October 27, 2010, the Financial Accounting Standards Board (FASB) delayed the effectiveness of its previously proposed new rules for disclosure of certain loss contingencies (including contingent litigation losses) under FASB Accounting Standards Codification Topic 450 (formerly FAS 5) so that enhanced disclosure would not be required in financial statements of public companies for current fiscal years ending after December 15, 2010.

Under the Exposure Draft issued by FASB on July 20, 2010, the new guidelines were initially intended to be effective for financial statements of public companies with fiscal years ending after December 15, 2010, which would have impacted all public companies with December 31, 2010 fiscal year-ends (for nonpublic companies, the proposed guidelines would be effective one year later, beginning with the first annual period after December 15, 2010). FASB noted that it will decide on an effective date at a future meeting, after it has substantially concluded its redeliberations.

For a more complete description of the proposed amendments for disclosure of certain loss contingencies, please see our previously issued [Client Alert](#).

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