

Early Impressions

Understanding ASU 2025-11 on Interim Reporting

Narrow Scope Improvement (Topic 270)



EXECUTIVE SUMMARY

On December 8, 2025, the Financial Accounting Standards Board (FASB) issued ASU 2025-11 with an aim to 1) clarify the form and content for interim financial statements, 2) provide a comprehensive list of required interim disclosures, and 3) introduce a disclosure principle for interim financial statements for events from the end of the previous annual reporting period that materially impact the entity. This ASU was issued in response to stakeholder feedback, which highlighted that Topic 270 is challenging and complex to navigate.

As stated by the Board, the intent of the new ASU is not to change the fundamental nature of interim reporting or expand or reduce current interim disclosure requirements. Instead, the ASU aims to provide clarity on the current interim reporting requirements. The Board expects that these clarifications will enhance consistency in interim reporting for all entities.

In this Early Impressions publication, we share our initial perspectives on the amendment: what has changed, why it matters, and what finance leaders should be thinking about now. While the effective date is still distant, early assessment and planning are going to be critical – not only to ensure compliance, but also to leverage the opportunities this change presents to simplify processes and enhance communication with stakeholders.

We sincerely hope you find the enclosed publication informative. We will be happy to participate in any discussions required to clarify our views enclosed in the attached publication. We look forward to hearing from you.

Thank you.

Yours faithfully
For Uniquis Consultech Inc.



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BACKGROUND

The guidance in Topic 270 is derived from APB Opinion 28, issued in 1973. Interim reporting requirements have evolved over time as a result of the issuance of new accounting guidance, but Topic 270 has not been updated to reflect the effects of the SEC's form and content requirements related to interim reporting that were added in 1981. In connection with FASB's 2021 disclosure framework project, the Board received numerous stakeholder feedback indicating that Topic 270 is complex and challenging to navigate. Accordingly, the Board has introduced these amendments and updates to clarify which types of interim reporting are subject to the requirements in Topic 270.

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KEY HIGHLIGHTS OF AMENDMENT IN ASU

The ASU has three primary objectives:

- 1 Clarify the form and content for interim financial statements
- 2 Provide a comprehensive list of required interim disclosures
- 3 Introduce a disclosure principle for interim financial statements for events since the end of the previous annual reporting period that materially impact the entity

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Form and Content of Interim Financial Statements

SEC Registrants:

SEC registrants should refer to the relevant form and content requirements for interim financial statements under SEC Regulation S-X, Rule 10-01, or Regulation S-X, Rule 8-03 when preparing interim financial statements and notes.

Non-SEC Registrants:

Non-SEC registrants may issue financial statements and notes in accordance with GAAP that are presented at the same level of aggregation as the annual financial statements and notes (which are subject to applicable annual disclosure requirements) or condensed financial statements (which have limited notes that are subject to the disclosure requirements in ASC 270).

Where condensed financial statements are prepared, an entity will need to either (1) follow Rule 10-01(a) or Rule 8-03(a) or (2) follow the reporting requirements as added by the ASU as follows:

- 01 Balance sheet with separate captions for each balance sheet component contained in the annual financial statements that is at least 10 percent of total assets, as well as captions for the presentation of cash and retained earnings (irrespective of relative significance compared with total assets).
- 02 Income statement with separate captions for net sales or gross revenue, each cost and expense category contained in the annual financial statements that exceed 20 percent of total sales or gross revenues, the provision for income taxes, and discontinued operations.



Statement of cash flows with categories for cash flows associated with operating, investing, and financing activities, as well as cash at the beginning and end of each period and the change in such balance.



Reconciliation of the changes within each account reflecting investments by and distributions to owners (e.g., a statement of shareholders' equity), which may be presented as a separate statement or within a footnote.

In certain situations, an entity that is not an SEC registrant could still be subject to certain form and content requirements under SEC rules and regulations (e.g., a private company whose financial statements are included in an SEC registrant's filing under SEC Regulation S-X, Rule 3-05). In these situations, an entity should apply the SEC's guidance on condensed statements.

Further, the ASU states that condensed statements may be provided only if the previous annual financial statements have been issued or made available for issuance.

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Comprehensive List of Required Interim Disclosures

As a result of the ASU's codification updates, Topic 270 now includes a comprehensive list of required interim disclosures, with references to the relevant Topics that cover the required disclosures for interim financial statements and notes. Examples of how the update added references to other Topics are below:

Topic 205

Presentation of Financial Statements – Reference added by ASU in ASC 270-10-50-12, 270-10-50-13, and 270-10-50-14

Topic 260

Earnings per Share – Referenced added by ASU in ASC 270-10-50-20

Topic 805

Business Combinations – Reference added by ASU in ASC 270-10-50-39, 270-10-50-40, 270-10-50-41

References to other Topics are covered from ASC 270-10-50-12 through ASC 270-10-50-66.

Practical Considerations

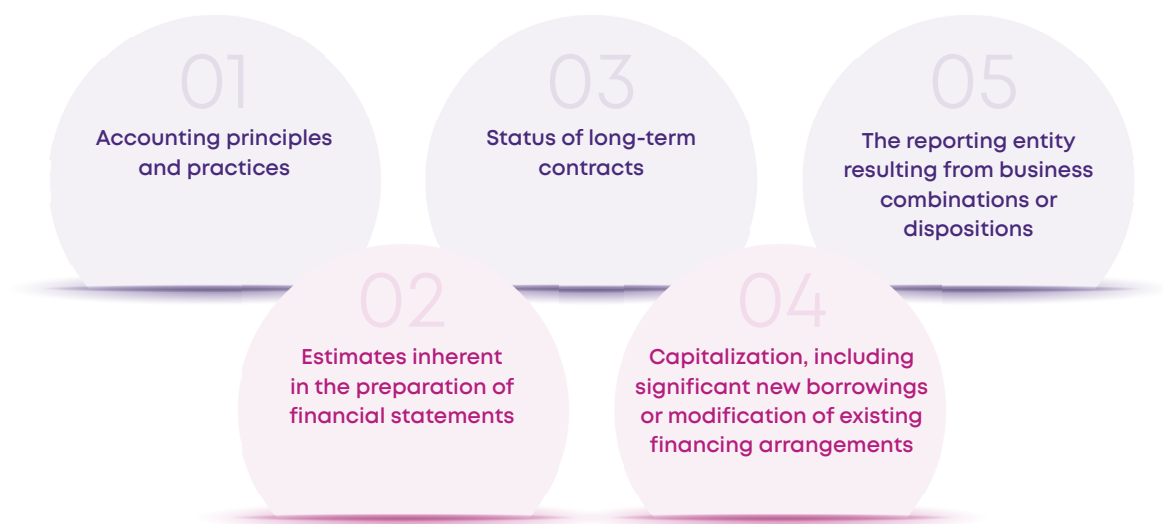
While the new sections added provide a list of the interim disclosure requirements, an entity should refer to each referenced Topic to determine the scope of the disclosures and related requirements.

Disclosure principle

Disclosure Principle

The ASU adds the disclosure principle in ASC 270-10-50-67 through 50-70, which requires entities issuing condensed statements to disclose events occurring since the end of the most recent fiscal year that have a **material impact on the entity**.

ASC 270-10-50-68 (added by the ASU) indicates that examples of such events may include, but are not limited to, significant changes in:



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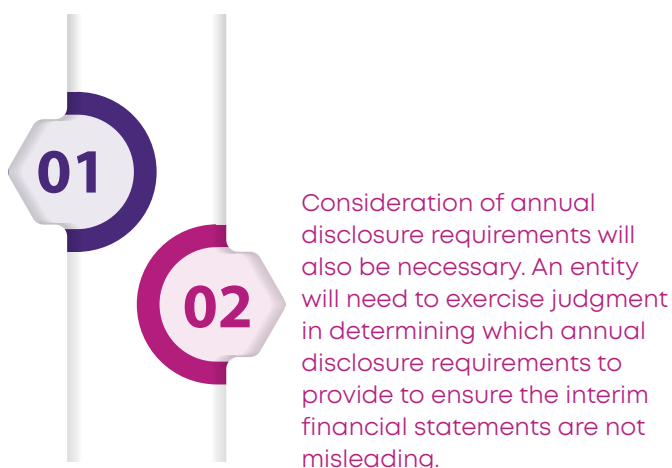
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When meeting the requirements under the disclosure principle added to Topic 270, an entity should keep in mind that:

Interim financial statements and notes prepared in accordance with GAAP serve as an update to the latest annual financial statements. As such, the disclosure principle allows omissions of disclosures that would substantially duplicate what has already been included in the latest annual financial statements.



EFFECTIVE DATE AND TRANSITION

Applicability

The amendment to ASU applies to all entities.

Effective Date

- ASU 2025-11 is effective as follows:
 - *Public business entities* – Interim periods in fiscal years beginning after December 15, 2027
 - *All other entities* – Interim periods in fiscal years beginning after December 15, 2028
- **Early adoption:** Early adoption is permitted for all entities.

Transition Provisions

Update can be applied either (1) prospectively or (2) retrospectively to any or all prior periods presented in the financial statements

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UNIQUS PERSPECTIVE OF AMENDMENTS IN ASU

We see this as...

Clarification of various requirements in interim reporting

ASU 2025-11 introduces a clear framework for interim reporting, which should be able to address issues of difficulty in navigability.

Standardization of reporting

The ASU allows more clarity on reporting requirements and brings in standardization for interim reporting.

Opportunity to enhance discipline

With clearer rules and expectations, companies can use the ASU as a catalyst to strengthen discipline in interim reporting requirements.

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Companies' Action Point

Create an interim reporting checklist and assess the financial reporting process

Entities need to assess the requirements of the ASU and accordingly update their interim reporting checklist.

Refer but review

Although ASU 2025-11 introduces a comprehensive list of disclosures required to be made within the interim financial statements, the list does not eliminate the requirement to perform a thorough review within other ASC topics to ensure all disclosure requirements are met.

For more information on the proposed Accounting Standard Update, see the [press release](#) on the FASB's website.



About Uniquus Consultech:

Uniquus Consultech is a global tech-enabled consulting company that specializes in Accounting & Reporting, Governance, Risk & Compliance, Sustainability & Climate, and Tech Consulting. The Company is co-founded by consulting veterans Jamil Khatri and Sandip Khetan and backed by marquee investors such as Nexus Venture Partners, Sorin Investments, and UST. Anu Chaudhary, a global sustainability and climate specialist with over 25 years of experience, serves as the Global Head of Sustainability & Climate Consulting.

Uniquus has a global team of 700+ professionals led by 85+ Partners & Directors across eleven offices in the USA, the Middle East, and India. The company serves more than 400 clients, including marquee names in each of the markets it operates in.

Uniquus is committed to leveraging technology and an integrated global delivery model to provide best-in-class consulting services to its clients.

About Our Accounting & Reporting Consulting Services:

In today's dynamic business environment, organizations are continuously required to adapt to the dynamic shifts in accounting & reporting standards and regulations. Enhanced management reporting requirements and accelerated reporting timelines necessitate increased automation within the finance function. Special events, such as preparing for an IPO/capital market transaction or fulfilling the reporting requirements arising from an M&A transaction, introduce additional complexities and challenges for the finance function.

As a result, organizations need to transform their finance functions from time to time with a focus on people, processes, and technology. Our Accounting & Reporting Consulting (ARC) practice is designed to partner with the finance function through these challenges. Our teams function as an extension of your finance teams to execute your plans seamlessly.

We bring the necessary technical expertise, skills, technology, and bandwidth, enabling you to navigate your plans in real time without adding additional manpower costs within the organization.

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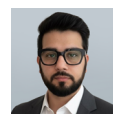
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