



# Quarterly Perspectives: Financial Reporting & Beyond / Q1 2026

April 16, 2026

**forv/s**  
**mazars**

# Meet the Presenters From Forvis Mazars Professional Standards Group

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Director  
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# Special (Repeat!) Guest



## **Michael Cornett**

Managing Director

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# Looking Back



# What Has Caught Our Eye

- FASB has not *appeared* quite as busy
- Conversely, quite a bit of activity with the SEC and PCAOB
- California Air Resources Board (CARB) adopted final language for greenhouse gas (GHG) reporting and climate-related financial risk disclosure requirements starting in August 2026

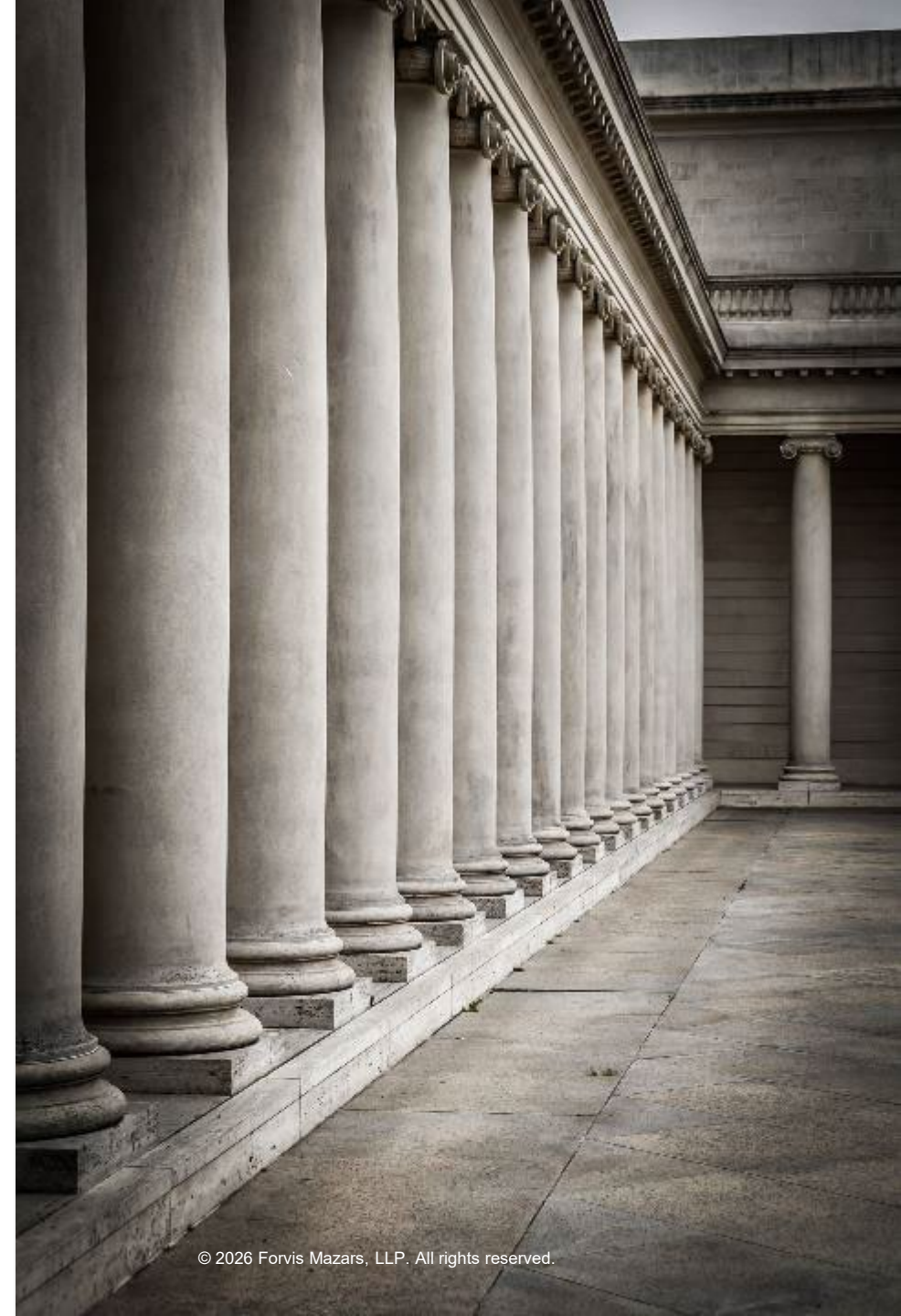
# Here & Now



## Trade/Tax Policy

### President Trump's Trade Policy Goals

- Raise revenue
  - For 2025, \$287 billion (\$97.5 billion in 4<sup>th</sup> quarter)
  - Approximately \$170 billion related to the International Emergency Economic Powers Act (IEEPA)
- Increase investment in U.S. manufacturing
  - Estimated at least \$8.8 trillion pledges/commitments
- Leverage to reduce trade barriers to U.S. business including discriminatory taxes
  - 18 trade deals completed
  - Digital service taxes is an issue going forward



# SCOTUS Decision

## IEEPA-Based Tariffs Not Legal

### Summary and Implications

- On February 20, SCOTUS decision released: IEEPA-based tariffs not legal
- Silent on refunds – current channels apply: [19 U.S.C. §1514](#)
  - File a protest: within 180 days of date of liquidation, [CBP Form 19](#)
    - If denied, 180 days to file suit in the U.S. Court of International Trade (CIT)
  - If not liquidated, can either file a Post Summary Correction (PSC) or file a lawsuit: per 28 U.S.C § 1581(i)
    - CIT recently held reliquidation possible
- President Trump announcement: 10% global tariff
  - Under Section 122
- Section 301 investigations have started
- International agreements and negotiations
  - Many expected to remain, some may need adjusting

### Next Steps

- Review contracts to determine if refunds to customers required
- Documentation: connect with broker, review your files
  - The number and dates of entries
  - The date of liquidation of the entry
  - A specific description of the merchandise
  - Type of tariff(s) – stacking?
  - Freedom of Information Act request possible
- Pursue refunds as applicable
- Understand tariffs now in place and mitigation strategies

# U.S. Custom and Border Protection (CBP) Refunds: Where We Are

- CBP described a new automated capability (Consolidated Administration and Processing of Entries, or “CAPE,” system) intended to process refund requests for IEEPA duties.
- CBP anticipates a phased rollout; initial functionality excludes certain entry types and statuses.
- CBP estimated 45 days to stand up CAPE but did not estimate processing time for refunds once operational.
- CAPE approach addresses unliquidated and non-final liquidated entries; it does not address liquidated-and-final entries.
- On April 10, CBP announced in [CSMS # 68315804](#) that the CAPE system would go live on April 20. Importers of Record should ensure that have an ACE Portal account and that their bank account information is included.



# CAPE Workflow

## Four Components

### 1. Claim Portal

- Web-based portal to upload a CSV list of entry summaries.

### 2. Mass Processing

- Remove applicable IEEPA Chapter 99 numbers and rerun duty calculations.

### 3. Review and (Re)liquidation

- Schedule or process (re)liquidations and compute interest.

### 4. Refund

- Consolidate refunds and issue electronically to a designated bank account.



# Possible Next Steps for an Importer of Record (IOR)



## **Obtain and review your ACE reports as of January 1, 2025, to:**

Identify IEEPA duties

Entry numbers

Ports

Brokers

Duty amounts, and

Liquidation status (Unliquidated or liquidated)

## **Separate entries into three buckets**

Unliquidated

Liquidated, and

Other (e.g., entry has been liquidated and period for a protest has closed)

## **For unliquidated entries**

Determine days remaining before liquidation occurs

Monitor to make sure an entry is not liquidated early

Consider whether a PSC should be filed

Based on CIT's resent order filing may not be needed but this is a facts/circumstances determination.

## **For liquidated entries determine days remaining before protest period ends.**

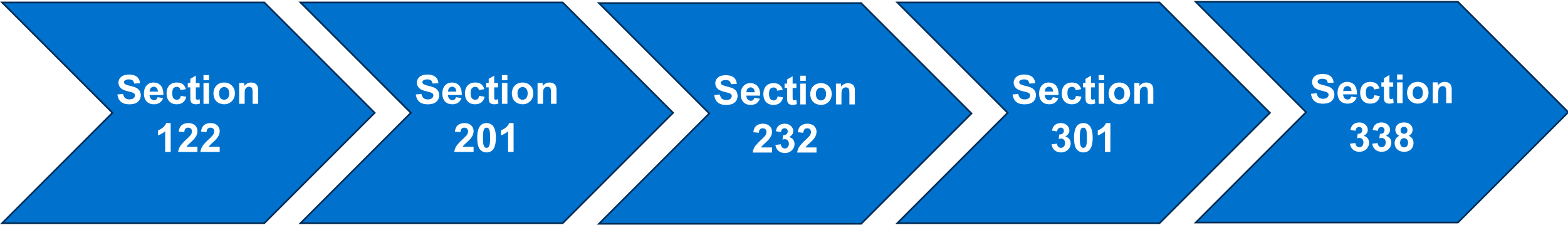
For liquidated entries in which protest period is closing consider filing a Protest on Form 19.

## **Determine if tariffs were passed on to customers.**

If so, develop a strategy for passing on refunds to customers.

# Tariff Fallback Options

There are at least five other options if the IEEPA tariffs cannot be used



# Tariff Fallback Options

Applicable Code Section	What It Permits	Limitations	Current Uses
<b>Section 122 of Trade Act of 1974</b>	<ul style="list-style-type: none"> <li>• Gives the president the ability to impose tariffs to address “fundamental international payments problems”</li> <li>• No investigation needed</li> </ul>	<ul style="list-style-type: none"> <li>• Conditions to remedy “large and serious” U.S. balance-of-payments deficits, to help correct an international balance-of-payments disequilibrium, or to prevent an “imminent and significant” depreciation of the dollar</li> <li>• Tariffs capped at 15% and can only be imposed for up to 150 days – congressional approval for longer</li> </ul>	<ul style="list-style-type: none"> <li>• Never been used before</li> <li>• U.S. Court of International Trade ruled that the IEEPA trade deficit tariffs should have been issued under Section 122</li> </ul>
<b>Section 201 of Trade Act of 1974</b>	<ul style="list-style-type: none"> <li>• Authorizes the president to impose tariffs if an increase in imports is causing or threatening serious injury to American manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>• Cannot be imposed instantly</li> <li>• U.S. International Trade Commission (ITC) investigation with report to president within 180 days. ITC required to hold public hearings and solicit public comments</li> <li>• Tariffs capped at 50% above rate of any existing duties</li> <li>• Can be imposed for initial 4-year period and extended to max. of 8 years</li> <li>• If in place for more than 1 year, must be phased down at regular intervals</li> </ul>	<ul style="list-style-type: none"> <li>• Imports of solar cells and modules, as well as residential washing machines in 2018. Solar tariffs were extended by President Biden and expired in 2023</li> </ul>
<b>Section 232 of Trade Expansion Act of 1962</b>	<ul style="list-style-type: none"> <li>• Gives the president power to use tariffs to regulate the import of goods on national security grounds</li> <li>• No cap on the level of the duties or their duration</li> </ul>	<ul style="list-style-type: none"> <li>• Cannot be imposed instantly</li> <li>• Commerce Department investigation must determine that importing these products threatens to impair national security with report to president within 270 days</li> <li>• Designed to be applied to imports in individual sectors, rather than from entire countries</li> </ul>	<ul style="list-style-type: none"> <li>• Tariffs on steel and aluminum imports in 2018, raised to 50% in 2025 using the 2018 investigation report</li> <li>• Imports of automobiles and auto parts based on conclusions of 2019 investigation report</li> <li>• Semi-finish and so-called derivative copper products</li> <li>• Multiple current investigations remain open</li> </ul>

# Tariff Fallback Options

Applicable Code Section	What It Permits	Limitations	Current Uses
<b>Section 301 of Trade Act of 1974</b>	<ul style="list-style-type: none"> <li>Allows the Office of the U.S. Trade Representative (USTR), under direction of the president, to impose tariffs in response to other nations' trade measures deemed discriminatory to American businesses or violation of U.S. rights under international trade agreements</li> <li>No limit on tariff rate</li> </ul>	<ul style="list-style-type: none"> <li>Cannot be imposed instantly</li> <li>USTR investigation with general requirement to request consultation with foreign government whose trade practices are being probed, and solicit public comments which can result in public hearings</li> <li>Duties automatically terminate after 4 years unless USTR receives request for continuation</li> <li>Investigations focus on one country, but USTR can conduct parallel reviews of a common concern that relates to multiple countries</li> </ul>	<ul style="list-style-type: none"> <li>Tariffs on hundreds of billions of dollars of imports from China in 2018, following an investigation into China's policies on technology transfer, intellectual property and innovation. President Biden increased these tariffs on certain products from China, including electric vehicles</li> <li>In July 2025, USTR initiated an investigation into Brazil, looking at the country's trade and IP policies, deforestation practices, and ethanol market access</li> </ul>
<b>Section 338 of Smoot-Hawley Tariff Act</b>	<ul style="list-style-type: none"> <li>Empowers the president to introduce tariffs on imports from nations "whenever he shall find as a fact" that these countries impose unreasonable charges or limitations or engage in discriminatory behavior against US commerce</li> <li>No investigation needed</li> </ul>	<ul style="list-style-type: none"> <li>Duties are capped at 50%</li> </ul>	<ul style="list-style-type: none"> <li>Never been used before</li> </ul>

# ASU 2025-10, Government Grants (Topic 832)

## Accounting for Government Grants Received by Business Entities

### Background

- Establishes authoritative guidance on the accounting (recognition, measurement, and presentation) for government grants received by business entities
- Applicable to business entities (specifically, all entities except for not-for-profit entities and employee benefit plans) that receive a government grant
- In the past, entities may have been analogizing to IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance* as there was a lack of FASB guidance
- Adds guidance to ASC 832 accordingly

## Accounting for Government Grants Received by Business Entities

### Key Provisions

- A government grant is defined as a transfer of a monetary asset or a tangible nonmonetary asset, other than in an exchange transaction, from a government to a business entity
- Government grants are classified into two categories:
  - Grant related to an asset – a grant that is conditioned on the purchase, construction, or acquisition of an asset
  - Grant related to income – a grant other than a grant related to an asset

# ASU 2025-10, Government Grants (Topic 832)

## Accounting for Government Grants Received by Business Entities

### Recognition guidance

A grant should not be recognized until the following criteria are met:

- It is probable that:
  - A business entity will comply with the conditions attached to the grant and
  - The grant will be received
- A business entity meets the recognition guidance for a grant related to an asset or a grant related to income

### Multi-element arrangements

- Entities will need to bifurcate the transaction into the portion that is an exchange transaction and the portion that is a grant

# ASU 2025-10, Government Grants (Topic 832)

## Accounting for Government Grants Received by Business Entities

### Grant related to an asset

- Grant related to an asset recognition guidance:
  - Recognized using one of two methods:

1

#### Deferred income approach:

- Grant is separately recognized as deferred income
- Recognized in earnings on a systematic and rational basis over the periods in which the entity recognizes as an expense the related costs for which the grant is intended to compensate

2

#### Cost accumulation approach:

- Grant reduces the asset's cost basis
- Carrying amount of the asset that includes the grant proceeds is used to determine depreciation
- No separate subsequent recognition of grant proceeds

# ASU 2025-10, Government Grants (Topic 832)

## Accounting for Government Grants Received by Business Entities

Grant related to an asset

### Initial Measurement of a Tangible Nonmonetary Asset:

- Deferred income approach – measured at fair value
- Cost accumulation approach – measured at the cost to the entity (which is likely to be nominal)

### Presentation:

- Deferred income approach – presented on the balance sheet as deferred income and presented as part of earnings either (a) separately under a general heading such as other income or (b) deducted from the related expense
- Cost accumulation approach – presented on the balance sheet as part of the carrying amount of the asset and there is no separate subsequent presentation of the grant proceeds in earnings because they have been reflected in the carrying amount of the asset

# ASU 2025-10, Government Grants (Topic 832)

## Accounting for Government Grants Received by Business Entities

### Grant related to income

#### Initial Measurement:

- Recognized in earnings on a systematic and rational basis over the periods in which the entity recognizes as expenses the related costs for which the grant is intended to compensate
- A grant related to income that provides an entity with compensation for expenses or losses previously incurred or for the purpose of giving immediate financial support to the entity with no future related costs should be recognized in earnings in the period in which the entity meets the recognition guidance in ASC 832-10-25-1

#### Presentation:

- Presented as part of earnings in either (a) separately under a general heading such as other income or (b) deducted from the related expense

# ASU 2025-10, Government Grants (Topic 832)

## Accounting for Government Grants Received by Business Entities

### Disclosure requirements:

- Annual disclosures include:
  - Nature and form of the grant
  - Accounting policies to account for the grant
  - Impacted balance sheet and income statement line items and the amounts applicable to each line item in the current period
  - The useful life of any related depreciable or amortizable asset (grants accounted for under the cost accumulation approach)
  - Fair value of any tangible nonmonetary asset received (in the period recognized)
  - Significant terms and conditions of the grant

# ASU 2025-10, Government Grants (Topic 832)

## Accounting for Government Grants Received by Business Entities

### Note on Business Combinations

- This ASU provides guidance for government grant-related liabilities assumed in a business combination, including a new exception to the recognition and measurement principles for business combinations in ASC 805
- For grants related to income, if the entity has fully complied with the grant's conditions at the acquisition date, the acquirer does not recognize deferred income
- If the entity has not fully complied with the grant's conditions at the acquisition date, the acquirer accounts for any deferred income under ASC 832

# ASU 2025-10, Government Grants (Topic 832)

## Accounting for Government Grants Received by Business Entities

### Transition & Effective Date

- Modified prospective approach: Prior-period results should not be restated and there is no cumulative-effect adjustment.
- Modified retrospective approach: All prior-period results should be restated for government grants that are not complete as of the beginning of the earliest period presented through a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the earliest period presented
- Retrospective approach: A cumulative-effect adjustment is recorded to opening balance of retained earnings as of the beginning of the earliest period presented
  - The retrospective approach applies to all government grants

#### ASU 2025-10

Early adoption permitted

#### Public Business Entities

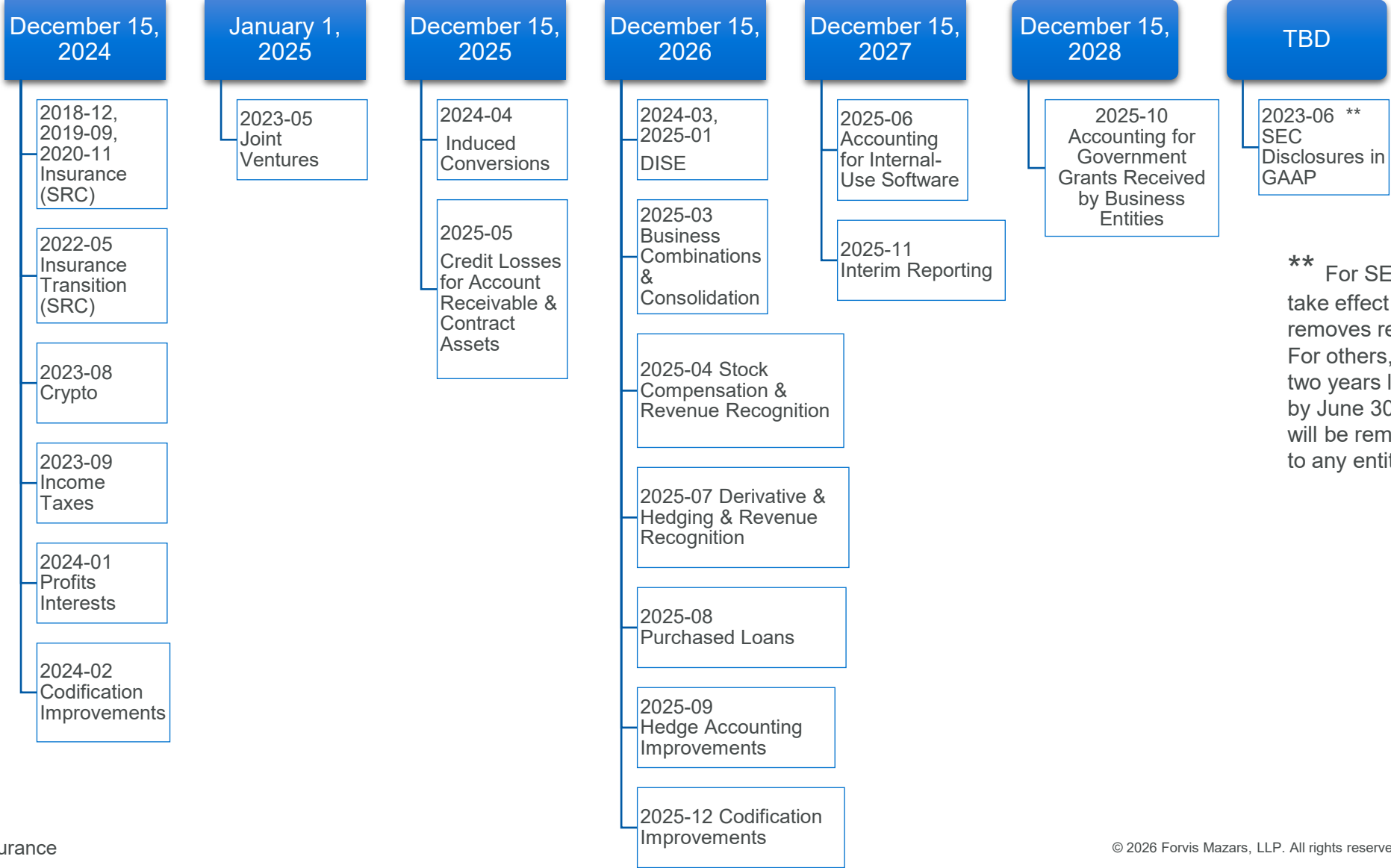
Annual periods beginning after December 15, 2028, including interim periods

#### All other entities

Annual periods beginning after December 15, 2029, including interim periods

# Public Business Entities (PBE) & Smaller Reporting Companies (SRC)

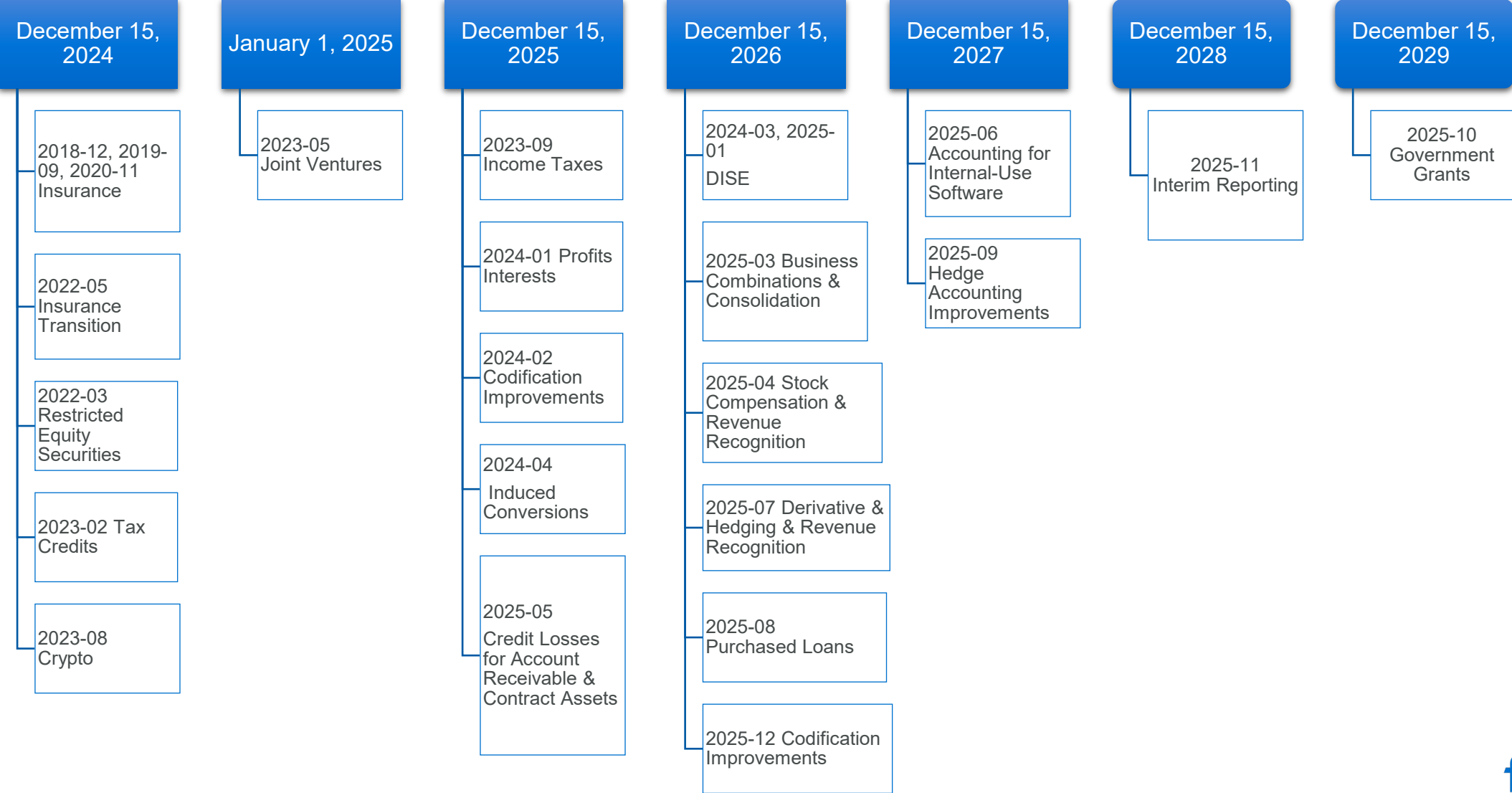
## For fiscal years/annual periods beginning after:



\*\* For SEC filers, amendments take effect when the SEC removes related disclosures. For others, the ASU is effective two years later. If no SEC action by June 30, 2027, the content will be removed and not apply to any entity.

# Private Company & Nonprofits

## For fiscal years/annual periods beginning after:



# FASB ASUs issued in the First Quarter 2026

# FASB's January 2025 Agenda Consultation Project

Excerpt from the FASB Chair Report: October 1, 2025–December 31, 2025

## *2025 Agenda Consultation Progress*

On October 8, we held our first meeting to discuss our plan for addressing all stakeholder feedback, including more than 120 comment letters, to come out of the FASB's 2025 agenda consultation project. Stakeholders identified more than 70 issues for the Board to consider. So far, the Board has added technical agenda projects on the Accounting for Transfers of Crypto Assets, Classification of Certain Digital Assets as Cash Equivalents, and Equity Method of Accounting: Targeted Improvements. Our goal is to bring all of the feedback back to the Board by the end of the summer in 2026.

# FASB's Technical Agenda (as of April 13, 2026)

Technical	Next Milestone	Expected Date
<a href="#">Accounting for Commodities</a>	Board deliberations	Ongoing
<a href="#">Accounting for Debt Exchanges</a>	Final ASU	Ongoing
<a href="#">Accounting for Environmental Credit Programs</a>	Final ASU	2Q 2026
<a href="#">Accounting for Transfers of Crypto Assets</a>	Board deliberations	Ongoing
<a href="#">Application of Topic 715 to Market-Return Cash Balance Plans</a>	Exposure draft	2Q 2026
<a href="#">Classification of Certain Digital Assets as Cash Equivalents</a>	Board deliberations	Ongoing
<a href="#">Codification Improvements (Evergreen)</a>	Exposure Draft	3Q 2026
<a href="#">Definition of Common Control</a>	Board deliberations	Ongoing
<a href="#">Equity Method of Accounting: Targeted Improvements</a>	Board deliberations	Ongoing
<a href="#">Indexation—Debt and Equity</a>	Board deliberations	Ongoing
<a href="#">Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock</a>	Final ASU	2Q 2026
<a href="#">Statement of Cash Flows—Targeted Improvements</a>	Board deliberations	Ongoing
<a href="#">Targeted Improvements to Hedge Accounting for Interest Rate Risk and Net Foreign Investments</a>	Exposure Draft	3Q 2026

# FASB's Technical Agenda (as of April 13, 2026)

Research
<a href="#">Accounting for and Disclosure of Intangibles</a>
<a href="#">Accounting for Derivatives</a>
<a href="#">Agenda Consultation</a>
<a href="#">Consolidation for Business Entities</a>
<a href="#">Current Trends and Emerging Issues</a>
<a href="#">Financial Key Performance Indicators for Business Entities</a>
<a href="#">Hedge Accounting</a>
<a href="#">Statement of Cash Flows</a>

EITF
<a href="#">Application of the Topic 815 Normal Purchases and Normal Sales Scope Exception to Electricity Contracts</a>
<a href="#">Consideration Payable to a Customer</a>
<a href="#">Mortgage Servicing Rights—Recapture</a>

Post-Implementation Review
<a href="#">Credit Losses</a>

# Conversations You Should Be Having



# What Is on the Horizon

- Getting down to actually accounting for any tariff refunds is going to be significant undertaking
- Downstream impact of the conflict in the Middle East and what accounting and financial reporting implications this may have
- Adoption of FASB's ASU 2024-03 on disaggregated income statement disclosures by public business entities is required for annual reporting periods beginning after December 15, 2026

# Selected FORsights™

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- Tariffs –
  - Subscribe to our [“From the Hill”](#) series covering tariffs
  - See our [Solution Sheet – Tariffs 5.15 Version](#)
  - [IEEPA Tariff Refund Update: CAPE System and Processing Guidance | Forvis Mazars US](#)
  - [Tariff Refund Progress and Timing Update: CAPE System](#)
  - [Update on IEEPA Tariff Refund Process](#)
  - [Atmus Filtration, Inc. V. United States—Closer to Tariff Refund Clarity](#)
- [SEC & CFTC Issue Historic Crypto Asset Framework: What to Know](#)
- [Pennies No Longer in Production Impact Cash Transactions & Sales Taxes](#)
- [Key Insights From the 2026 Financial Executives Priorities Report](#)
- [Quarterly Financial Reporting Update – Q4 2025](#)
- Forvis Mazars’ [2026 Quality Report](#)

# Thank you!

Please join us again on July 16, 2026 for the next installment of the 2026 Quarterly Perspective webinar series, as well as the following remaining dates for the 2026 series:

- October 15, 2026
- January 7, 2027

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