

# Accounting Advisory Guide

Quarterly Update: Q1 2025

## Riveron Insights

For accounting leaders and financial reporting teams, Riveron [accounting advisory](#) professionals round up the latest insights, examine evolving accounting standards, and explore relevant business trends.

### What's covered in this guide:

An active regulatory quarter despite general market uncertainty

#### 1 FASB Updates and Q1 Activity

The FASB agenda in the first quarter of 2025 was focused on gathering feedback on exposure drafts and revising those standards, like the accounting for software costs, disaggregated income statement expenses, consideration payable to a customer in the form of shares, and government grants. Notably, for calendar year-end issuers, this was the first reporting period for which guidance in ASU 2023-07 was applicable and financial statements included the disclosure of [significant expenses in the segment footnote](#).

#### 2 SEC Activity and Focus this Quarter

As the SEC transitions its leadership and awaits the appointment of Paul Atkins as new SEC Commissioner, the Commission shifted its focus to capital formation and cryptocurrency. As part of its efforts to bolster capital formation, the SEC expanded the availability of draft confidential submissions to follow-on offerings and de-SPACs transactions. In cryptocurrency, the SEC repealed SAB 121, established a cryptocurrency taskforce and took a step back on crypto related investigations underway. Additionally, on the SEC's climate disclosure rule, the SEC has voted to no longer defend the rule in legal actions.

#### 3 Other Insights and Trends

In both the economy and the capital markets, uncertainty—driven by changes in government spending and policies, [tariff policy](#), inflation, impact of AI, and the general economic outlook—has tempered CFO outlook on the current year. Riveron experts explored some of these themes in a recent [webinar](#). And, while there were more IPOs in Q1 compared to the same prior-year period, the general investment sentiment has shifted to a cautious approach, despite a M&A market that is hungry for deals.

# 1. Accounting Standards Updates

## ASU 2023-07 –Segment Reporting updates became effective in 2024 year-end filings

Q1 2025 was the first annual reporting period for public calendar year-end filers requiring adoption of the new segment standard. In addition to existing requirements, companies are now required to disclose:

- significant expenses for each reportable segment,
- who their chief operating decision maker (CODM) is,
- and how the CODM uses the reported measures of segment profit or loss in assessing performance.

Management teams can also elect to disclose more than one measure of segment profit or loss in the footnotes. Any additional measures presented under the new standard will be subject to [non-GAAP measure reporting requirements](#).

## ASU 2025-01 – Updates to the DISE Standard for Expense Disaggregation

The FASB issued ASU 2025-01 in the first quarter of 2025 to clarify the effective date of ASU 2024-03, the DISE standard. This ASU clarified that non-calendar year-end public filers are required to adopt the standard in the first annual period beginning after Dec. 15, 2026, and interim periods beginning after Dec. 15, 2027.

The DISE standard itself requires public companies to break down income statement expense line items in a more detailed, tabular format in the footnotes. For example, COGS is required to be disaggregated into natural expense categories including purchases of inventory, employee compensation, depreciation, intangible asset amortization, DD&A as part of oil- and gas-producing activities, or other depletion expenses.

Although the disaggregation of this data may seem simple, disparate reporting systems or complex cost structures may cause a challenge when grouping operating activity into these specified categories. Management teams should consider [preparing for this standard](#) well in advance of the adoption date so that any necessary adjustments can be made leading into the adoption period.

Read more about what DISE means for investors in a related [Riveron Viewpoints post](#).

## Upcoming Activity of the FASB

Two proposed ASUs have approaching comment deadlines, addressing the accounting for environmental credits and making changes and clarifications to the codification on a broad range of topics.

The objective of the environmental credit standard is to provide more specific guidance on disclosures around environmental credits and compliance obligations that may be settled with environmental credits. This standard is expected to impact filers across industries because of operations subject to emissions regulations and environmental credits received for carbon footprint initiatives.

Proposed Accounting Standard Update	Comment Deadline
<a href="#">Environmental Credits and Environmental Credit Obligations (Topic 818)</a>	4/15/2025
<a href="#">Codification Improvements</a>	4/22/2025

The FASB has issued invitations to comment on a number of topics, including KPI reporting, initial recognition of intangible assets, and on the broader standard-setting agenda.

Topic	Comment Deadline
<a href="#">Financial Key Performance Indicators for Business Entities</a>	4/30/2025
<a href="#">Recognition of Intangibles</a>	5/30/2025
<a href="#">Agenda Consultation</a>	6/30/2025

## 2. Regulatory Updates

### Capital Formation

On March 3, 2025, the [SEC announced](#) the Division of Corporation Finance will help facilitate capital formation by further enhancing the accommodations available to companies for confidential review of draft registration statements. These accommodations allow companies to explore public offerings while maintaining confidentiality. The expanded accommodations include:

- Omission of the underwriter's name from the initial draft registration statement
- No time limit on confidential draft registration statements post-IPO
- Nonpublic review has been expanded to include Section 12(g) registration statements on Forms 10, 20-F, and 40-F
- Nonpublic review process is now available for all de-SPAC transaction structures

### Focus on Crypto Currency

The SEC has swiftly changed its policy toward cryptocurrency with the change in administration. On Jan. 21, 2025, on the heels of the announcement of Mark T. Uyeda as Acting Chairman of the SEC, the SEC put out a [press release](#) announcing the launch of the Crypto Task Force. With the creation of the Crypto Task Force, the SEC has set out to develop a comprehensive and clear regulatory framework for crypto assets.

The SEC noted in the Task Force press release that the Commission has historically relied on enforcement actions to regulate the crypto market on a reactive basis. In addition to creating more clear regulatory boundaries, the Task Force intends to develop practical pathways for registration, design effective disclosure frameworks, and strategically allocate enforcement resources.

### EDGAR Next

[SEC has upgraded](#) the EDGAR system with necessary security changes. These critical updates include changes to filer access and account management, as well as modernizing the API connections. Tracking now exists for the individual making the filing, rather than at the company level, providing needed security and visibility for impactful regulatory filings. The move to EDGAR Next requires coordination and time investment. Companies should take action to prevent delays in filing as the compliance date approaches.

### Next steps for EDGAR Next

✓	All individual filers need to obtain their credentials to Login.gov
✓	Ensure all CIK, CIK Confirmation Codes (CCC), and passphrases are current prior to enrollment
✓	Determine if delegation to a filing agent is needed and communicate enrollment, if applicable
✓	Determine the account administrator and develop a plan for onboarding new users and the required annual confirmation

The EDGAR Next dashboard is live as of March 24, 2025, and compliance becomes mandatory for all filings beginning Sept. 15, 2025.

### XBRL

EDGAR was updated on March 17, 2025, [to support 2025 taxonomies](#). Filers should migrate to the new taxonomies as soon as possible to ensure tags used in their filings are the most recent and encompass new accounting standards and other updates. The 2025 taxonomies include the newly developed SPAC taxonomy, which is required for the prospectus disclosures in SPAC IPOs.



### 3. Other Insights and Webinar Replays

#### In Case You Missed It

View a replay of our recent webinars to learn more about:

- Preparing for unpredictability amid current [tariff and trade issues](#)
- 2025 Accounting and financial reporting topics explored at the [AICPA & CIMA Conference](#)

Throughout the year, Riveron experts host webinars relevant for accounting and financial reporting professionals. Many sessions offer CPE credit to live participants.

Sign up [for our newsletter](#) to be notified about future Riveron webinars.

*This update provides general information and insights - consult with your advisors for specific guidance.*

#### Explore Related Insights

[Transform Accounting's Busy Season into an Organizational Asset](#)

[From Decision-Making to Audit Readiness: The Pervasive Impact of Materiality in Accounting](#)

[Accounting and Financial Reporting Insights from the 2024 AICPA & CIMA Conference](#)

[Prioritizing Internal Controls: The Essential Step for Effective Sustainability Reporting](#)

***Want to learn more?*** Our [accounting advisory team](#) is here to help our clients address pressing needs and navigate the complexities of financial reporting. [Contact Us](#).

### Connect with an expert for more information

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# Riveron

Founded in 2006, Riveron professionals simplify and solve complex business problems. We partner with CFOs, private equity firms, and other stakeholders to maximize outcomes. Riveron teams bring industry perspective and a full suite of solutions focused on the office of the CFO, M&A, and distress. In 2023, the company was acquired by affiliates of Kohlberg & Company from H.I.G. Capital—which is continuing its partnership with Riveron through a minority investment. Riveron has 18 global offices.



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