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entertainment industry content production depending on the type of content being produced. For films, production costs are capitalized. For episodic content ...

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The Financial Accounting Standards Board ([FASB](#)) has issued a [proposed Accounting Standards Update](#) (ASU) that would align the accounting for production costs for films and episodic content produced for television and streaming services. Stakeholders are encouraged to review and provide input on the ASU—based on an

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In recent years, however, the entertainment industry has experienced a significant change in production and distribution models. For example, online streaming services and new participants into the industry have introduced different business models, such as subscription-based revenue models. As a result, some stakeholders have questioned whether the constraint in the capitalization guidance for episodic content still provides relevant information to investors considering these changes.

The proposed ASU would address this issue by converging the capitalization guidance for films and episodic content. It would also address when a company or organization should assess films and license agreements for program material for impairment at the film-group level, while amending the presentation and disclosure requirements for content that is either produced or licensed.

The [proposed ASU](#) is available at [www.fasb.org](http://www.fasb.org).

Accounting

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