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FASB: Guidance on capitalization of pre-production costs

The FASB decided to retain the current guidance on capitalization of pre-production costs related to long-term supply arrangements while it conducts outreach to decide whether it would propose additional changes. The FASB also did not want to delay issuing its technical corrections for the revenue standard—most of which did not pertain to pre-production costs.

Read an **October 2016 report** prepared by KPMG LLP: *Defining Issues: FASB Decides to Retain Guidance on Pre-production Costs*