August 23, 2013

Submitted via email: director@fasb.org

Technical Director Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116

File Reference No. PCC-13-01A

Dear Technical Director:

The Technical Issues Group (TIG) of the Missouri Society of CPAs (MSCPA) appreciates the opportunity to respond to certain matters in the Proposed Accounting Standards Update, Accounting for Identifiable Intangible Assets in a Business Combination. The views expressed herein are written on behalf of the TIG of the MSCPA. The TIG has been authorized by the MSCPA Board of Directors to submit comments on matters of interest to the society's membership. The views expressed in this letter have not been approved by the MSCPA Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the MSCPA.

We generally agree with the direction taken by the Financial Accounting Standards Board (Board) and support any action by the Board that addresses the needs of preparers and users of private company financial statements. We agree with the Board's objectives of reducing the cost and complexity of accounting for these transactions and, therefore, the preparation of financial statements. However, the responses below are not intended to convey either support or opposition to the Board's establishment of the Private Company Council (PCC) or the PCC's intended authority and responsibilities. We acknowledge that certain constituencies do not believe the current plan does enough to solve the problems of private company standard setting and believe a separate standard setting body, independent of the Board, should set accounting standards for private companies.

Thank you for considering our comments. We would be pleased to respond to any questions the Board or its staff may have about any of the following comments. Please direct any questions to Josh Ayers, TIG Chairman (jayers@stonecarlie.com).

Sincerely,

Joshua A. Ayers, CPA TIG Chairman

& Project Leader

Jeffrey P. Antrainer, CPA

Project Leader

James L. Pursley, CPA

Project Leader

Robert A. Singer, Ph.D., CPA

Robert A. Singer

Project Leader

The following responses address the questions for respondents:

Question 1 Response: The Technical Issues Group (TIG) of the Missouri Society of CPAs (MSCPA) appreciates the opportunity to respond.

The MSCPA is the largest professional association dedicated to advancing CPAs in Missouri and represents more than 8,000 members in public practice, industry, government and education. Established in 1909, the MSCPA provides members with continuing education, governmental advocacy, and networking opportunities, while working to further the future of the CPA profession through student-focused initiatives.

The objective of the TIG is to selectively respond to publicly issued exposure drafts of proposed accounting and auditing standards and rules and regulations issued by select standard setting bodies that have an impact on the practice of accountancy in Missouri. Members of the TIG include financial statement preparers, users, and public accountants with both public and private company experience.

Question 2 Response: We do not believe any other entities, types of transactions or accounts should be excluded from the scope of the exposure draft. We do not believe any other types of transactions or accounts should be included in the scope of the Proposed Accounting Update.

Question 3 Response: We generally agree with the discussion included in the Proposed Accounting Update, where the "PCC determined that intangible assets that currently meet the contractual-legal criterion are more relevant to users than intangibles that are separable (but not contractual) because those intangible assets are supported by legal rights that are considered more akin to tangible assets (and less like goodwill)." While the Proposed Accounting Update limited that determination to private company financial statements, we believe that same argument can be made for all financial statements, including publicly traded companies. However, we also acknowledge the complexity and other differences of public company business combinations may make it difficult to allow the proposed treatment for those transactions. If the accounting alternative were allowed for publicly traded companies, it should no longer be elective.

Given that not-for-profit entities usually have the fewest accounting and financial reporting resources, the scope of the Proposed Accounting Update should be expanded to include not-for-profit entities in its entirety.

Question 4 Response: We believe the proposed amendments would reduce overall costs and complexity compared to existing guidance.

Question 5 Response: We agree that the accounting alternative will provide relevant and decision-useful information to users of private company financial statements.

Question 6 Response: We agree that for contractual intangibles assets, recognition and measurement should be limited to the noncancelable terms of the contract. However, we do not agree that market participant expectations about the potential renewal or cancellation of the contract should not be factored into the measurement. We believe that contractual intangible assets should continue to be measured at fair value, consistent with Topic 820. The market participant expectations concerning the renewal or cancellation of the contract are a relevant component of these assets and the cost to prepare these estimates is generally not prohibitive.

We do not foresee any increase in cost and complexity or other difficulties in applying this alternative recognition and measurement principle.

Question 7 Response: We agree that intangible assets arising from other legal rights should continue to be measured at fair value considering all market participant expectations, consistent with Topic 820. However, the Board should consider revising Topic 805 further by providing an accounting alternative for in process research and development, in order to reduce the cost and complexity in valuing these assets and therefore, reducing the cost and complexity of preparing financial statements.

Question 8 Response: We agree that identifiable intangible assets not recognized separately as a result of applying the amendments in the Proposed Accounting Update should be disclosed.

Question 9 Response: We agree that no additional required disclosures are necessary unless required by other applicable and relevant topics.

Question 10 Response: We agree that prospective application is appropriate and retrospective application should not be permitted.

Question 11 Response: The alternative accounting method should be effective as soon as possible and early application should be permitted.

Question 12 Response: We believe preparers and auditors will require much less effort to implement and audit the proposed amendments than accounting and auditing under the current guidance.

Question 13 Response: No.

Question 14 Response: If an entity elects the accounting alternative in the amendments in this proposed Update, the company should also be required to apply the PCC's proposed accounting alternative for Topic 805 and if an entity elects the accounting alternative in the amendments to Topic 805 it should be required to adopt the proposed accounting alternative. This requirement would help ensure that information is reported in a clear, concise and consistent manner alleviating possible confusion to the users of the financial statements.

Question 15 Response: We generally agree with the proposed definition of a public business entity, however believe that item (d) needs further clarification or limitation. At minimum, clarification and guidance related to the definition of unrestricted securities would be required in instances where an entity has public disclosure of its financial statements. Examples where this definition causes concern include a privately held franchisor that is required to disclose its financial statements in a Franchise Disclosure Document by the Federal Trade Commission and a privately held broker/dealer that is required to file their financial statements with FINRA and whose financial statements end up on the EDGAR system. We do not feel a privately held franchisor or broker/dealer should be scoped into this definition and should not be held to the same financial reporting requirements as entities that meet the requirements of items (a), (b), or (c). By their nature, these are often small businesses with a simple operating structure and imposing additional reporting obligations as a result of this definition is inappropriate in our view.