VIA Electronic Mail (director@fasb.org)

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Technical Director Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116 File Reference: No. 2011-230

Dear Board Members and FASB Staff:

I am pleased with the opportunity to give my comments on the Proposed Accounting Standards Update Topic 605, *Revenue Recognition: Revenues from Contracts with Customers*. Fair judgment of decisions is the question that varies from country to country.

The determination of price recognition may be controversial in many occasions. There are many times where there are different procedures for the revenue to be recognized. Having a set standard procedure of when revenue is to be recognized is the ideal situation. Determining a set time of recognition between the company and the customers is beneficial to both parties; by doing so there will always be a regular procedure that both parties will have to follow.

There is also risk in the time of the recognition of transaction, because there will always be a problem at one point or another, where either of the parties will not be satisfied. There may be risk in collecting the money, and the customer may not pay; but this has to be separate from the recognition of the price of the goods/services. Since the transaction will not take into consideration the effects of bad debts, the company should just concentrate on the fact of the cost of the goods/services.

Even though the transaction price might be set, there needs to be consideration that there are different countries; therefore not everyone will have the same practices. What may seem good for one country may not be the case for another, and this is where judgment comes into play, will judgment be the same for all the countries?

The United States has given its people the opportunity that if they are not pleased with a purchase, they have the opportunity to return their purchase. The ethics the people have also play a role here, and what they return; are they returning something that is in good or bad condition, what is the judgment on this? Then again we have to take into consideration that "One Size Does Not Fit All". The objective is to recognize revenue, and how and when are will this be done if all these returns are made?

An example of questionable revenue recognition happens daily in retail stores. In many of the high selling merchandising stores, they have a broad return policy. A company that has a broad return policy follows this procedure. Most of the time, they offer the customer the benefit of returning their purchase at any given time. An example of a retail store that has a wide return policy is Costco Wholesale; they allow customers to return merchandise at any given point with no restriction. This can be of benefit to the company, because they give the customer options and give them assurance, that if they are not satisfied they will be given their money back. In the contrary it could also affect the company, because the recognition of the revenue will be done at one point and when the return happens, the financials will not show accuracy. The revenue will be over stated, while the receivables will be understated.

Thank you, for giving me the opportunity to contribute my comments with the Board.

With Respect,

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