November 30, 2012

Susan M. Cosper, Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference No. 2012-220
Invitation to Comment on Disclosure Framework

Dear Ms. Cosper,

Hyatt Hotels Corporation ("HHC") appreciates the opportunity to submit comments to the Financial Accounting Standards Board ("FASB") on its discussion paper regarding possible changes to the disclosure framework (the "Discussion Paper"). We support the FASB's efforts to improve financial statement disclosures in order to make them more effective, coordinated, and less redundant. However, we believe there are certain concepts as outlined below that the FASB should consider in the next steps of developing a disclosure framework.

Chapter 2-The Board's Decision Process
Our comments primarily relate to Questions 2 through 4 which state:

- **Question 2:** Do the decision questions in this chapter and the related indicated disclosures encompass all of the information appropriate for notes to financial statements that is necessary to assess entities’ prospects for future cash flows?

- **Question 3:** Do any of the decision questions or the related indicated disclosures identify information that is not appropriate for notes to financial statements or not necessary to assess entities’ prospects for future cash flows?

- **Question 4:** Would these decision questions be better applied by reporting entities instead of the Board? In other words, should the Board change its practice of establishing detailed requirements in each project and, instead, establish a single overall requirement similar to the questions in this chapter?

While we agree with the FASB's focus on financial statement footnote disclosures, we believe that this project should also be coordinated with the U.S. Securities and Exchange Commission ("SEC"), as many constituents are also subject to SEC reporting requirements. We believe that in order to make financial statement disclosures more effective and less redundant the FASB and SEC need to undertake a joint
approach with respect to this project. Further, we believe that this would provide increased value to users of the financial statements, such as investors, lenders, etc., as this would promote a holistic view of the financial statements and their inclusion within SEC filings.

While we generally agree with the nature of the decision questions in Chapter Two of the Discussion Paper, we do have some concerns. Certain suggested decision questions focus on forward looking information, which we do not believe should be included in footnotes to the financial statements. We believe footnotes should continue to include only historical financial information, as they are intended to provide discussion and information which can be audited related to transactions and results for the periods presented. For those constituents who are SEC filers, we believe forward looking information could best be addressed in MD&A, further supporting our view that a joint approach with the SEC is necessary.

We also would encourage the FASB to revisit how the suggested revisions to the disclosure framework impact disclosures contemplated in recent Exposure Drafts ("ED’s"). There seems to be some inconsistency in direction with respect to disclosures. Recent ED’s, such as Revenue Recognition (Topic 605), Revenue from Contracts with Customers and Leases (Topic 840), appear to suggest an increased level of more prescriptive disclosures as opposed to more flexibility. It is unclear how potential changes addressed in the Discussion Paper interact with the recent ED’s. We believe the FASB should evaluate how they plan to proceed with the disclosure framework project and accordingly consider the impact to ED’s prior to final issuance.

With regard to question 4, we believe that the FASB should apply the decision model framework as opposed to individual reporting entities. As a result of the legal, regulatory and audit environment in the U.S. we do not believe that individual reporting entities would be well positioned to apply the decision model framework. We believe that this amount of subjectivity would result in inconsistent application across companies and would be subject to significant scrutiny by the company’s auditors.

Chapter 3 – Making Disclosure Requirements Flexible
Our comments primarily relate to Questions 6 and 7 which state:

- Question 6: Would any of the possibilities in this chapter (see paragraphs 3.8 and 3.11) be a practical and effective way to establish flexible disclosure requirements?

- Question 7: If more than one approach would be practical and effective, which would work best?

We appreciate the concept of providing additional flexibility for disclosures in order to improve their effectiveness, as presented in Chapter 3 of the Discussion Paper. We agree that the two extremes discussed in section 3.8 of the Discussion Paper would be impractical to apply for the reasons highlighted in the Discussion Paper. Furthermore, we believe that alternatives c. and d., offered in section 3.11, should be the options considered based on our view that the FASB should be responsible for setting disclosure requirements.
While these two options do not allow for complete flexibility by reporting entities, they allow for more flexibility than what is available to reporting entities today. These options, which include the FASB setting minimum and expanded disclosure requirements or providing a tier of disclosure requirements based on materiality, would create a framework that reporting entities could use to tailor the disclosures that are most relevant to the reporting entity. Having a framework of rules and concepts grounded in materiality that reporting entities can utilize is imperative in the U.S. legal and regulatory environment.

Chapter 5 - Format and Organization

Our comments primarily relate to Questions 12 and 13 which state:

- **Question 12:** Would any of the suggestions for format improve the effectiveness of disclosures in notes? If so, which ones? If not, why not?

- **Question 13:** What other possibilities should be considered?

The suggestions provided in Chapter 5 to improve the formatting of notes to the financial statements would improve the effectiveness of disclosures as long as their use is flexible and allowed to be determined by the reporting entity. More specifically, the FASB requiring these formatting changes in all disclosures may lead to an increase in boilerplate tables, headings, cross references and highlighting, which would be inconsistent with the objective of this Discussion Paper.

We believe that cross referencing financial statement line items to notes and highlighting relevant information would improve effectiveness of disclosures. However, we believe that the reporting entity should have the flexibility to determine when cross referencing and highlighting would enhance the effectiveness of disclosures. We also believe the use of tables can often convey relevant information most effectively, but should be utilized at the discretion of the reporting entity.

Additionally, the suggested methods of organizing the notes to the financial statements each have benefits and drawbacks. The two possibilities discussed in section 5.18 are further discussed below.

- **Paragraph 5.18.a.** suggests that the FASB could “specify a particular order for all entities so that users will always know where to look for information”. The benefits of this option are that it would result in disclosures that are consistent for the reporting entity across different reporting periods and more comparable for multiple reporting entities in the same industry. The drawback is that it would be difficult to specify an order that can apply to all entities across all industries.

- **Paragraph 5.18.b.** suggests that the FASB “allow flexibility and provide implementation guidance (or advice) to help reporting entities determine the order”. The benefit of this option is that it gives the reporting entity the freedom to organize the information based on what is most effective for the reporting entity. This flexibility provides the reporting entity with the opportunity to organize information that is more consistent with how management views the
business. The inherent drawback in providing this flexibility is that this may limit consistency and comparability across organizations.

While there are benefits and drawbacks to each of the options discussed, we believe that option “b” would be the most meaningful option to investors. Option “b” would allow reporting entities to organize financial statement disclosures in the manner which would result in disclosure of the most relevant and representative information about the reporting entity. Given the diversity across entities and industries we believe it would be difficult for the FASB to prescribe an order which would be relevant for all reporting entities.

Chapter 7 – Other Matters for Discussion

Our comments primarily relate to Questions 20 through 22 which state:

• **Question 20:** Would the change to the requirements described in paragraph 7.8 for disclosure of the summary of accounting policies improve the effectiveness of disclosure?

• **Question 21:** Should the summary of accounting policies include information about industry-specific accounting policies?

• **Question 22:** Are there other required disclosures that could be modified or eliminated in the short term that would result in a significant reduction in the volume of notes to financial statements?

We believe that the modifications described in section 7.8 to replace existing disclosures related to accounting policies with more streamlined disclosures would improve the effectiveness of disclosures. This would enable reporting entities to focus on the policies that were selected when there are multiple acceptable alternatives or an explanation of the accounting method that was applied if there is no specific or analogous guidance. We believe that the summary of accounting policies should include a description of the use of industry-specific accounting policies.

However, we caution that before eliminating the requirements surrounding accounting policy disclosures, the FASB should consider performing additional outreach to determine whether financial statement users find these policy disclosures useful. While removing this information from the financial statement footnotes would decrease the volume of disclosures, it is important to ensure users have sufficient information to understand the accounting principles applied when preparing the financial statements.

Finally, one additional area where we feel a reduction in disclosures might be warranted is with respect to recently issued accounting standards, which are typically included as a component of the summary of accounting policies footnote. While it is important for reporting entities to explain the impact where material to the company, these disclosures typically include boilerplate language which summarizes the FASB’s accounting standards updates. We believe these disclosures could be streamlined such that reporting entities only include a meaningful discussion of the impact if material to the reporting entity.
We appreciate the opportunity to comment on the Discussion Paper, and welcome the opportunity to discuss our views further with you.

Sincerely,

Brad O'Bryan
Senior Vice President, Corporate Controller and Chief Accounting Officer