October 5, 2015

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116
Electronically submitted to director@fasb.org

File Reference No. EITF-15D

Re: Proposed Accounting Standards Update
Derivatives and Hedging (Topic 815), Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships (a consensus of the FASB Emerging Issues Task Force)

Dear Ms. Cosper:

The Accounting Principles and Auditing Standards Committee (the "Committee") of the Florida Institute of Certified Public Accountants ("FICPA") respectfully submits its comments on the referenced proposal. The Committee is a technical committee of the FICPA and has reviewed and discussed the above referenced proposed accounting standards update issued by the Financial Accounting Standards Board ("FASB"). The FICPA has approximately 19,500 members, with its membership comprised primarily of CPAs in public practice and industry. The Committee is comprised of 22 members, of whom 50% are from local or regional firms, 9% are from large multi-office firms, 18% are sole practitioners, 9% are in international firms, and 14% are in academia or private industry. Therefore we are addressing this exposure draft both from the viewpoint of preparers of financial statements as well as those performing attest services on them. The Committee has the following comments related to the questions posed by the FASB:

Question 1: Yes, the Committee agrees that a change in the counterparty to a derivative instrument should not, in and of itself, require redesignation of that hedge accounting relationship.

Question 2: The Committee agrees with the proposed transition guidance, with the amendments applied on a prospective basis to all existing and new hedge accounting relationships as opposed to attempting to retrospectively apply the proposed amendments to all prior hedging relationships that may have undergone changes to counterparties in prior periods.

Question 3: Based on Committee discussion, redesignations to long-haul redesignation scenarios are not prevalent. However, the Committee generally believes a consistent
approach to the application of the proposed amendments is preferred – without retrospective application – while still recognizing there may be instances where select retrospective application would reduce the total costs of applying hedge accounting requirements.

Question 4: The Committee is in agreement with the application of the proposed amendments to all entities. This perspective is consistent with the Committee’s other recent feedback, where the size or ownership characteristics of entities are not used as benchmarks for applying key provisions of U.S. GAAP.

Question 5: With regard to implementation of the proposed update, the Committee believes prospective application would require little additional technical effort on behalf of entities and auditors, suggesting the guidance should be effective upon issuance. In the event retrospective application is permitted in certain circumstances, some additional time may be required to reconsider previously derecognized hedging instruments. Finally, as the primary purposes of the proposed amendments are to (1) clarify existing U.S. GAAP and (2) reduce diversity in practice, the Committee believes early adoption should be permitted.

Question 6: The Committee is not wholly in agreement with the transition disclosures specified in the proposed update. Subject to our comments above, in those situations where retrospective application is undertaken, the Committee is in agreement that the entity has undergone a change in accounting principle and should provide the disclosures in ASC 250-10-50-1(a) and ASC 250-10-50-2. However, if retrospective application is not permitted by the final accounting standards update – or if an entity is strictly applying the final accounting standards update on a prospective basis – the Committee believes the transition to the updated guidance is not a change in accounting principles, but rather is a clarification of existing U.S. GAAP. In such cases, transaction-level disclosures required by other existing U.S. GAAP would be sufficient.

The Committee appreciates the opportunity to respond to this Proposed Accounting Standards Update. Members of the Committee are available to discuss any questions you may have regarding this communication.

Respectfully submitted,

Brion L. Sharpe, CPA
Chair, FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:

Julian D. Dozier, CPA
Richard G. Edsall, CPA