September 2, 2014

Technical Director
File Reference No. 2014-220
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Comments on Proposed Accounting Standards Update Income Statement — Extraordinary and Unusual Items (Subtopic 225-20)

Dear Members of the Board:

The Retail Industry Leaders Association ("RILA") and its Financial Leaders Council ("FLC") are pleased to respond to the Proposed Accounting Standards Update, Income Statement — Extraordinary and Unusual Items (Subtopic 225-20), issued on July 15, 2014 (the "Exposure Draft"). RILA is the trade association of the world's largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than $1.5 trillion in annual sales and millions of American jobs.

The Board proposes to eliminate from GAAP the concept of extraordinary items, primarily, in an effort to save time and reduce costs for preparers and to alleviate uncertainty for preparers, auditors, and regulators. We thank you for the opportunity to comment on the Exposure Draft. RILA and its FLC support the proposed changes and offer our specific comments below.

Question 1: Should the concept of extraordinary items be eliminated from GAAP? If not, why not?

RILA and the FLC agree that the concept of extraordinary items should be eliminated from GAAP. In practice, it is rare for an event or transaction to meet the requirements to be presented as an extraordinary item. Moreover, the determination of whether an event or transaction is both unusual and infrequent creates uncertainty and results in increased costs with little resulting benefit given that the disclosure guidance related to transactions or events that are unusual in nature or occur infrequently would be retained. We support the Exposure Draft.
Question 2: Should the proposed Update be applied prospectively to extraordinary items occurring after the date of adoption?

Prospective application to extraordinary items occurring after the date of adoption is appropriate, particularly in light of the infrequent nature of such items and the retention of the disclosure guidance.

Question 3: Should the proposed Update be effective in annual periods, and interim period within those annual periods, beginning after December 15, 2015, with early adoption permitted? Should there be a delay in the effective date for entities other than public business entities and why?

The proposed effective date with early adoption is appropriate. Given that this is a simplification proposal, there would not seem to be any need to delay the effective date for non-public entities.

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In conclusion, we agree with the proposals set forth in the Exposure Draft. We thank you for the opportunity to comment on this proposal.

Sincerely,

Suzie Squier
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