The Accounting Principles Committee of the Illinois CPA Society (“Committee”) appreciates the opportunity to provide its perspective on the Financial Accounting Standards Board’s (“FASB” or the “Board”) Proposed Accounting Standards Update (“ASU”), Reference Rate Reform (Topic 848) (“Update”). The Committee is a voluntary group of CPAs from public practice, industry and education. Our comments represent the collective views of the Committee members and not the individual views of the members or the organizations with which they are affiliated. The organization and operating procedures of the Committee are outlined in Appendix A to this letter.

We agree with the Update and believe it will provide relief to financial statement prepares accounting for contract modifications resulting from reference rate reform. We recommend the Board consider modifying the sunset provision to the Update considering, as noted in the Update, there is uncertainty regarding when LIBOR or, as it relates to other reference rates, when and how other reference rates may be discontinued or fundamentally restructured. Specifically, the Board could modify the Update to be effective upon the discontinuance or fundamentally restructuring, as outlined in paragraphs 848-10-15-3 and 4, of a reference rate other than LIBOR for contracts affected by that rate and cease two years from that date to avoid revisiting the Update for future reference rate changes. We believe the Update is operable; however, we recommend the Board consider moving the scoping language in paragraph BC22 to BC26 into paragraphs 848-20-15-2 to 4 to provide better clarify for what changes are within and outside the scope of the Update. It was unclear to us what was meant by the second and last sentence in paragraph 848-20-15-2 and how that interacts with paragraph 848-20-15-3 until we read paragraphs BC22 to BC26. In addition, it was unclear to us if modifications related to a change in a reference rate and the addition or elimination of debt covenants would be permissible under 848-20-15-4 until we read paragraph BC26. We do not support additional disclosures regarding the impact of rate reform and are unsure what would be meaningful to financial statement users including the usefulness of a disclosure that a company has elected the optional expedients regarding a Topic or Subtopic or even certain hedging relationships as provided in the Update.

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October 4, 2019

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

File Reference No. 2019-770
We appreciate the opportunity to provide our comments and observations on the Update and would be pleased to discuss them with the Board members or the FASB staff at your convenience.

Sincerely,

Brian Kot, CPA  
Chair, Accounting Principles Committee

William Keirse, CPA  
Vice Chair, Accounting Principles Committee
The Accounting Principles Committee of the Illinois CPA Society (Committee) is composed of the following technically qualified, experienced members appointed from industry, education and public accounting. These members have Committee service ranging from newly appointed to more than 20 years. The Committee is an appointed senior technical committee of the Society and has been delegated the authority to issue written positions representing the Society on matters regarding the setting of accounting standards. The Committee’s comments reflect solely the views of the Committee and do not purport to represent the views of their business affiliations.

The Committee usually operates by assigning Subcommittees of its members to fully study and discuss exposure documents proposing additions to or revisions of accounting standards. The Subcommittee ordinarily develops a proposed response that is considered, discussed and voted on by the full Committee. Support by the full Committee then results in the issuance of a formal response, which at times includes a minority viewpoint. Current members of the Committee and their business affiliations are as follows:

**Public Accounting Firms:**

**Large:** (national & regional)
- Ryan Brady, CPA
- Ashley Carboni, CPA
- Michael Couillard, CPA
- Matthew Denton, CPA
- Jason Eaves, CPA
- William Keirse, CPA (Vice Chair)
- Scott Lehman, CPA
- Melissa Lynch, CPA
- Reid Mitchell, CPA
- Jason Plourde, CPA
- Elizabeth Prossnitz, CPA
- Darshana Raigaga, CPA

- Grant Thornton LLP
- KPMG LLP
- Baker Tilly Virchow Krause LLP
- Sikich LLP
- Crowe LLP
- Ernst & Young LLP
- Crowe LLP
- Plante Moran, PLLC
- Wipfli LLP
- Grant Thornton LLP
- BDO USA LLP
- BDO USA LLP

**Medium:** (more than 40 professionals)
- Almira Goethe, CPA
- Danielle Martin, CPA
- Jeffery Watson, CPA

- CDH, PC
- Porte Brown LLC
- Miller Cooper & Company Ltd

**Small:** (less than 40 professionals)
- Peggy Brady, CPA
- Brian Kot, CPA (Chair)

- Selden Fox, Ltd.
- Cray Kaiser Ltd CPAs

**Educators:**
- Mollie Adams, CPA
- John Hepp, CPA

- Bradley University
- University of Illinois at Urbana-Champaign

**Industry:**
- Jeffrey Ellis, CPA
- Michael Maffei, CPA
- Thomas Masterson, CPA
- Matthew Mitzen, CPA
- Lisa Sezonov, CPA
- Richard Tarapchak, CPA
- William Wang, CPA
- Daniel Wilfong, CPA

- FTI Consulting, Inc.
- GATX Corporation
- Medix
- CNA Financial Corp.
- Northern Trust
- Reynolds Group Holdings
- MAT Holdings, Inc.
- Sunset Transportation, Inc.

**Staff Representative:** Rafael Wieseneng, CPA
- Illinois CPA Society