October 15, 2015

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

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The Accounting Principles Committee of the Illinois CPA Society (Committee) appreciates the opportunity to provide its perspective on the Proposed Accounting Standards Update, Revenue from Contracts with Customers (Topic 606) – Principal versus Agent Considerations (Reporting Revenue Gross versus Net). The Committee supports the proposed guidance, and believes the amendments will enhance the operability of the new revenue recognition standard, and are responsive to implementation issues identified by the Transition Resource Group and others.

A principal versus agent analysis often involves considerable judgment, and it is our view that the proposed amendments will promote consistent application of the principal versus agent guidance. In addition, we believe the amendments will reduce the cost and complexity of implementing the guidance in Topic 606.

We commend the Board on its efforts to timely address implementation issues associated with this major standard setting project, and encourage the Board to continue identifying issues and promulgating clarifying amendments as necessary.

We appreciate the opportunity to offer our comments.

Sincerely,

Scott G. Lehman, CPA
Chair, Accounting Principles Committee

Ryan Brady, 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:

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- John Hepp, CPA  Grant Thornton LLP
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