



PricewaterhouseCoopers LLP  
400 Campus Dr.  
Florham Park NJ 07932  
Telephone (973) 236 4000  
Facsimile (973) 236 5000  
www.pwc.com

December 4, 2008

Technical Director  
File Reference No. 1640-100  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

PricewaterhouseCoopers appreciates the opportunity to comment on the FASB's Proposed Statement of Financial Accounting Standards, *Subsequent Events* ("the proposed Statement").

We agree with the Board that accounting guidance on subsequent events should be directed specifically to management of reporting entities because management is responsible for determining the accounting for and disclosure of transactions and events that affect an entity's financial statements. We therefore support the Board's proposal to include guidance on subsequent events in the accounting literature.

We also agree with the Board that the revision of the definition of subsequent events to add the concept of financial statements being "available to be issued" is both helpful and operational, specifically to private companies. We also support the disclosure of the date through which management has evaluated subsequent events. This is consistent with IAS 10, *Events after the Reporting Period*, and is particularly beneficial to those companies who do not have a consistent practice of widely distributing their financial statements upon completion.

The current requirement for auditors is to date an audit report when sufficient audit evidence has been obtained to support the opinion. This results in an opinion date prior, and in some cases significantly prior, to issuance. We believe that management's disclosure of the issuance or available for issuance date may, in some cases, extend the date through which auditors might have otherwise performed subsequent events procedures so that the date of the auditor's report is not earlier than the date disclosed by management.

To the extent that the Board chose not to undertake a fundamental reexamination of the topic of subsequent events, we do not take exception to the Board's decision not to address conflicts between the proposed Statement and existing GAAP or International Financial Reporting



Standards. We ask the Board to consider the following specific comments on the conflicts identified in the proposed Statement in the Basis for Conclusion:

- The accounting for gain contingencies under paragraph 17 of FASB Statement No. 5, *Accounting for Contingencies* (FAS 5), considers the favorable settlement of a lawsuit subsequent to year end where the entity is the plaintiff to be a nonrecognized subsequent event. Accordingly, we believe FAS 5 should be included in the list in paragraph A5 of conflicts with the principles in the proposed Statement.
- We do not agree that FASB Statement No. 146, *Accounting for the Costs Associated with Exit or Disposal Activities* (FAS 146), represents a conflict with the principles in the proposed Statement. Paragraph 6 of FAS 146 addresses the accounting for the liability subsequent to initial measurement. The phrase "periods subsequent to initial measurement" is intended to address the period after issuance of the financial statements in which the liability is first recorded. Accordingly, additional evidence that becomes available after the balance sheet date, but before issuance, should be evaluated using the principles established in the proposed Statement.

\* \* \* \* \*

We appreciate the opportunity to express our views on the proposed Statement. If you have questions regarding our comments, please contact Valerie Wieman at (973) 236-5887.

Sincerely,

A handwritten signature in cursive script that reads "Price Waterhouse Coopers LLP".