



MISSOURI CREDIT UNION ASSOCIATION

August 23, 2013

Technical Director  
File Reference No. 2012-200  
Financial Accounting Standards Board  
401 Merritt 7, P.O. Box 5116  
Norwalk, CT 06856  
[FASB Comments](#)

**RE: Don Cohenour - Business Combinations (Topic 805) – Accounting for Identifiable Intangible Assets in a Business Combination;**  
File Reference No. PCC-13-01A

To Whom It May Concern:

On behalf of the 1.3 million credit union members, the Missouri Credit Union Association (MCUA) would like to take this opportunity to submit comments to the Financial Accounting Standards Board (FASB) in regard to its proposal on accounting for a business combination. Specifically, FASB, through its Private Company Council (PCC), issued a proposed alternative within U.S. generally accepted accounting principles (GAAP), that would modify the requirement for private companies to separately recognize fewer intangible assets acquired in a business combination.

MCUA strongly supports FASB's and the PCC's efforts to simplify reporting for private entities, particularly in areas where the associated costs outweigh the benefits to the reporting entity and the users of their financial statements. We generally support the scope of the proposal. We believe the types of entities noted in the proposed scope are appropriate, as are the transactions and accounts, which are referenced in the proposal. In response to FASB's inquiry in the proposal, we likely would not be opposed to expanding the proposed scope to other entities, such as those falling within FASB's definitions of "publicly traded company" and "not-for-profit entity."

We believe the amendments in this proposal would likely reduce cost and complexity by providing an entity with an accounting alternative to recognize only those identifiable intangible assets arising from non-cancelable contractual terms or those arising from other legal rights. We agree that the proposed amendments generally would result in entities recognizing fewer intangible assets in a business combination than under current GAAP because not all identifiable intangible assets would be recognized separately, as is currently required.

Also, we support the proposal, as we believe the alternative recognition, measurement, and disclosure guidance would continue to provide decision-useful information to the users of private company financial statements, while reducing the cost and complexity associated with the valuation of certain identifiable intangible assets.

The accounting alternative for identifiable intangible assets would be effective prospectively for all business combinations entered into during fiscal years, and interim periods within those years, beginning on or after the effective date. We support prospective application of the alternative. However, we caution FASB from permitting retrospective application due to the associated complexities.

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While the proposal does not include an effective date, we believe it should be effective as soon as practical, particularly since application is at the discretion of the reporting entity. Further, we believe early application of the alternative should be permitted.

As always, we appreciate the opportunity to respond to this request for comments. We will be happy to respond to any questions regarding these comments.

Sincerely,

A handwritten signature in cursive script that reads "Don Cohenour". The signature is written in black ink and is positioned above the typed name.

Don Cohenour  
President