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January 8, 2014

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

RE: Proposed Accounting Standards Update: *"Development Stage Entities (Topic 915) Elimination of Certain Financial Reporting Requirements* (File Reference No. 2013-320)

Dear Technical Director:

We appreciate the opportunity to respond to the Financial Accounting Standards Board's proposed Accounting Standards Update (ASU) regarding development stage entities. We support the FASB's efforts to eliminate unnecessary reporting and disclosure differences between development stage entities and other entities. As discussed in Appendix A to our letter, we believe the Board should consider addressing certain transitional guidance as well as disclosures for certain entities that currently meet the definition of a development stage entity.

Appendix A to this letter provides our responses to the specific questions raised in the Exposure Draft.

If you have any questions about our comments or wish to discuss any of the matters addressed throughout, please contact Mark Bielstein at (212) 909-5419 or Jonathan Guthart (212) 954-1961.

Sincerely,

KPMG LLP

KPMG, LLP

Appendix A: Responses to the questions set out in the Exposure Drafts

Question 1: *Do you agree with the proposed amendments described in this proposed Update? If not, please explain which proposed amendment(s) you disagree with and why.*

Overall we agree with the decisions reached by the board in the exposure draft, however we do have several suggestions discussed in further detail below.

Question 2: *Under the proposed amendments, all entities applying Topic 810 would be required to evaluate the total equity investment at risk using the guidance on the sufficiency of equity investment at risk in paragraphs 810-10-25-45 through 25-47, which requires both qualitative and quantitative evaluations. Will the proposed amendments to Topic 810 result in substantive changes in the consideration of a development stage entity for consolidation? Do you agree with this change? How significant would this change be?*

Our initial assessment is that the elimination of the guidance contained in paragraph 810-10-15-16, in practice, would most likely not result in a significant change in the considerations or the accounting conclusions reached surrounding the consolidation of a variable interest entity. As stated in the proposal, we agree that the proposed change will create consistency over consolidation decisions across all entities. Although we do not believe the proposed standard would have a significant impact, we recommend the proposed standard provide transition guidance with respect to a change in accounting should it be required related to Topic 810.

Question 3: *Is there information, either previously required and proposed to be eliminated or not previously required, that would be useful to investors and potential investors of development stage entities? Is so, please describe the information that development stage entities should be required to provide and why.*

We support the removal of the previously required presentation of inception-to-date amounts and disclosures. We recommend consideration be made of whether there is a need for disclosure addressing management's expectation of the nature (and timing, if estimable) of the planned commercial operations as such disclosures may be beneficial to the users of financial statements of an entity which is in its' infancy. If so, we would recommend that the concept/definition of a development stage entity be retained and that the ASU consider certain minimal disclosures that provide a description of the development nature of the entity and its future planned operations.

Question 4: *Will the proposed amendments result in substantive changes to the application of other existing guidance that would require transition provisions or that the Boards should consider in determining the appropriate effective date for the final amendments? If so, please describe.*

We do not believe the amendments will result in substantive changes in the applications of other existing guidance. We recommend, as discussed further within question #2 above, additional transition guidance be provided. We support the adoption and permission of early adoption of the standard as of the effective date.

Question 5: *The proposed amendments would apply to public and nonpublic entities. Will any of the proposed amendments require special consideration for nonpublic entities? If so, which proposed amendment(s) will require special consideration and why?*

We believe the amendments will not require any special consideration for nonpublic entities. The standard eliminates presentation and disclosure requirements for all entities and we do not think any additional considerations would be needed for a nonpublic entity in implementing the amendments.