

March 10, 2017

Mr. Russell Golden, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

(Sent via e-mail to director@fasb.org)

Re: File Reference No. 2017-210

Dear Mr. Golden:

The International Business Machines Corporation (“IBM” or “the company”) appreciates the opportunity to comment on the proposed Accounting Standards Update: Inventory (Topic 330): Disclosure Framework - Changes to the Disclosure Requirements for Inventory (the “proposed amendment” or “exposure draft”), issued by the Financial Accounting Standards Board (“FASB”).

The company continues to support the FASB in their efforts to simplify U.S. GAAP and the objective of improving disclosures and providing users with more decision useful information. However, we do not think Topic 330 is an area where additional disclosure, including a rollforward of inventory, is necessary. We do not believe the amendments in the exposure draft provide more effective, decision-useful information to users as the proposed amendments overlap with current requirements. For public companies, regulation S-X 5-02.6 already requires items such as the composition of inventory and the nature of the cost elements included in inventory to be disclosed in MD&A. We also believe material changes to inventory, such as inventory obtained through a business combination or sold through a divestiture, would already be included in the notes to the financial statements in accordance with other GAAP and/or SEC requirements. We believe the cost to implement these duplicative disclosures would outweigh the benefits.

We are concerned the new requirements might perpetuate a checklist-based approach to disclosure. Further, we believe that the current state of disclosure requirements, in addition to the significant disclosure required in other recently completed FASB projects, is unsustainable. In the spirit of balancing decision useful disclosures with the risk of disclosure overload, we would support investor outreach to understand how investors will use the additional disclosures prior to the issuance of a final standard.

Thank you for the opportunity to comment on the exposure draft. If you have any questions, please contact me at (914) 765-5074.

Sincerely,

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