June 28, 2019

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

By e-mail: director@fasb.org

Re: Proposed Accounting Standards Update—*Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*

(File Reference No. 2019-600)

Dear Ms. Cosper:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 24,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the above-captioned exposure draft.

The NYSSCPA's Financial Accounting Standards Committee deliberated the proposed accounting standards update and prepared the attached comments. If you would like additional discussion with us, please contact Jeffrey A. Keene, Chair of the Financial Accounting Standards Committee, at (732) 750-0900, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

Ita M. Rahilly
President

Attachment

NEW YORK STATE SOCIETY OF

CERTIFIED PUBLIC ACCOUNTANTS

COMMENTS ON

PROPOSED ACCOUNTING STANDARDS UPDATE—*DISCLOSURE IMPROVEMENTS: CODIFICATION AMENDMENTS IN RESPONSE TO THE SEC'S DISCLOSURE UPDATE AND SIMPLIFICATION INITIATIVE*

(File Reference No. 2019-600)

June 28, 2019

Principal Drafters

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New York State Society of Certified Public Accountants

Comments on

Proposed Accounting Standards Update—*Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*

(File Reference No. 2019-600)

We welcome the opportunity to respond to the Financial Accounting Standards Board's (FASB or the Board) invitation to comment on Proposed Accounting Standards Update—*Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative* (proposed Update).

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

Response: Except as indicated in our responses to the remaining questions, we agree with the amendments to the Codification in this proposed Update.

Question 2: Would the proposed amendments result in decision-useful information? Please explain why or why not.

Response: Many of the proposed amendments will result in decision-useful information, as the majority of the contemplated disclosures are already made in practice (e.g., the unused short-term loan commitment) or are critical decisions contemplated by the reporting entity in applying the relevant accounting guidance (e.g., the method used to determine share equivalents for diluted EPS purposes).

We question the usefulness of providing weighted average interest rates on short term-term borrowing at the balance sheet date. In our experience, many entities borrow on their line(s) of credit arrangements periodically or seasonally and providing such disclosure at a point in time likely does not provide important information to the users of the financial statements. Furthermore, interest expense is a required disclosure, so users of the financial statements already have the ability to evaluate exposure that an entity has to changing interest rates.

We also question the usefulness of disclosing "the separate results of each combined entity before combination for comparative periods presented" discussed in 805-50-50-3(c) of the Update. In our experience, transfers of entities under common control typically occur within non-public entities and are well understood by the users of the financial statements (i.e., banks and lending institutions). Furthermore, such financial statements typically include the presentation of combining supplementary information for the most recent financial statement period at the request of banks and lending institutions. We also believe that comparative information is already addressed in ASC 805-50-45-2 and 805-50-45-5 whereby transfers of entities under common control are accounted for through retrospective adjustment of the earliest period presented.

Question 3: For entities other than public business entities, are the proposed disclosure requirements operable and auditable? If not, which aspects pose operability or auditability concerns and why?

Response: The proposed disclosure requirements are operable and auditable for other than public business entities.

Question 4: For entities other than public business entities, would any of the proposed disclosure requirements impose significant incremental costs? If so, please describe the nature and extent of the additional costs.

Response: We believe the proposed disclosure requirements that are relevant to other than public business entities will not impose significant incremental costs.

Question 5: The proposed amendment to paragraph 850-10-50-4A would not apply to entities other than public business entities. Do you agree with this proposed scope? Are there other proposed disclosure requirements that entities other than public business entities should not be required to apply? If so, please explain why.

Response: We agree with the proposed exclusion of paragraph 850-10-50-4A to other than public business entities. Except for certain topics that in general are not applicable to other than public business entities, Topic 260 and Topic 280, there are no other proposed disclosure requirements that should be excluded.

Question 6: The proposed amendment to paragraph 810-10-50-1C would require that an entity disclose the names of newly consolidated or deconsolidated entities. Would this proposed disclosure requirement impose incremental costs for entities other than public business entities? If so, please describe the nature and extent of the additional costs.

Response: We do not believe the proposed amendment to paragraph 810-10-50-1C would impose significant incremental costs for entities other than public business entities.

Question 7: Should the proposed amendments be applied prospectively to financial statements issued after the effective date? If not, what transition method would be more appropriate and why?

Response: We would prefer that upon adoption, the proposed amendments be applied retrospectively to maintain comparability. However, certain amendments may impose considerable effort to comply and therefore we accept a prospective application.

Question 8: How much time would be needed to implement the proposed amendments? Should early adoption be permitted? Would the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities? Why or why not?

Response: The time required to adopt the proposed amendments will be dependent upon the complexity of the related transactions. We do not expect the time required to be unreasonable when balanced against the complexity of the transaction. We believe early adoption should be permitted. When appropriate, reporting entities should be permitted to utilize these enhanced disclosure requirements as soon as they are available. We also believe that other than public business entities should be provided with an additional year to implement the proposed amendments. This will allow for additional analysis of the amendment and evaluation of how public business entities applied the rules.

Question 9: Should the proposed amendments be finalized if the SEC does not eliminate the referred disclosure requirements in Regulation S-X and Regulation S-K? Why or why not?

Response: The proposed amendments should not be finalized if the SEC does not eliminate the referred disclosure requirement in Regulation S-X and Regulation S-K. The purpose of this amendment is to conform disclosure requirement in US GAAP to the requirements in Regulation S-X and Regulation S-K, and if such changes are not made by the SEC then only making the changes in this proposed amendment will place a significant burden on public business entities that are required to comply with both sets of standards.

Question 10: Do you agree with the Board's decision not to propose amendments to the Codification for certain referred disclosures? If not, please explain why.

Response: We agree with the Board's decision not to propose amendments to the Codification for certain referred disclosures.