



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

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

File reference: No. 1760-100 - Proposed Accounting Standards Update, Subsequent Events (Topic 855), Amendments to Certain Recognition and Disclosure Requirements

Dear Mr. Golden:

PricewaterhouseCoopers LLP appreciates the opportunity to comment on the proposed Accounting Standards Update, *Subsequent Events, Amendments to Certain Recognition and Disclosure Requirements* (the "Proposed ASU").

We support revising Topic 855 so that GAAP does not conflict with SEC requirements. We believe that the revisions will alleviate the majority of potential conflicts for entities whose financial statements are filed with or furnished to the SEC. However, we suggest that the Board revise the language throughout Topic 855 to clarify that the scope of the exception also includes entities whose financial statements are included or incorporated by reference in an SEC filing (e.g., under Regulation S-X Rule 3-05, *Financial statements of businesses acquired or to be acquired*, and Regulation S-X Rule 3-09, *Separate financial statements of subsidiaries not consolidated and 50 percent or less owned persons*), even if such an entity is not the registrant. This clarification could be accomplished by referring to "an entity whose financial statements are filed with or furnished to the SEC," rather than "an entity that files or furnishes financial statements with the SEC."

To resolve other significant implementation problems, we recommend that Topic 855 be further revised to eliminate the need for an entity to assess whether it has a current expectation of widely distributing its financial statements. Having different requirements for entities whose financial statements are "widely distributed" versus for those whose financial statements are not will, in our view, create unnecessary complexity, potentially confuse financial statement users, and provide little, if any, incremental benefit.

Further, what is "widely distributed" is not well understood outside of the context of SEC filings. For example, we believe that preparers and auditors may reach different conclusions about whether financial statements (i) filed on the Municipal Securities Rulemaking Board's EMMA dataport, (ii) provided to the Department of Labor with Form 5500, or (iii) posted on company websites are "widely distributed." The concept is also fostering inconsistent application of the implementation guidance in Subtopic 855-10-55 related to recognized and unrecognized subsequent events. Accordingly, removing this concept would simplify the standard and reduce the potential for diversity in practice. In



its place, we recommend entities follow the "available to be issued" model for evaluating subsequent events (as has historically been done).

Making the change recommended above is important to ensure that the Topic does not create any additional conflict with SEC requirements. That conflict could arise for entities (including not-for-profit organizations) whose financial statements are not filed with or furnished to the SEC under 1934 Act requirements, but are subject to a public filing requirement imposed by SEC Rule 15c2-12 for broker-dealers in municipal securities. As written, Topic 855 could be interpreted as requiring a change in the application of Rule 15c2-12, effectively requiring those organizations to either file their financial information separately from their operating information or continue to recognize subsequent events until the operating information is ready to be submitted as a combined report, which typically occurs at or near a contractually-agreed upon date between the organization and the broker-dealer. We do not believe this is the intention of the FASB, particularly without concurrent rule-making by the SEC.

With respect to the proposed reissuance amendments, we generally agree that the proposed revisions to paragraph 855-10-50-4 better clarify the requirements for disclosing a date in connection with reissuance. However, we believe the phrase "restated financial statements include" in the proposed wording could be misunderstood as suggesting that the guidance covers more than the two situations described in that paragraph. To ensure the Board's intent is complied with, we suggest revising the proposed wording to limit the concept of restatement to the situations described within the paragraph.

In summary, we recommend the following wording for the paragraphs below.

855-10-25-1A. "An entity whose financial statements are filed with or furnished to the SEC shall evaluate subsequent events through the date the financial statements are issued."

855-10-25-2. "An entity whose financial statements are not filed with or furnished to the SEC shall evaluate subsequent events through the date that the financial statements are available to be issued."

855-10-50-1. "An entity whose financial statements are not filed with or furnished to the SEC shall disclose the date through which subsequent events have been evaluated."

855-10-50-4. "Entities described in 855-10-50-1 shall disclose the date through which subsequent events have been evaluated in both originally issued and restated financial statements. For purposes of applying this paragraph, 'restated financial statements' are limited to financial statements that are revised as a result of either of the following..."

We support the Board's proposed transition and effective date and believe that it is operational. In light of the imminent financial statement filing deadlines for many SEC registrants, we encourage the Board to issue the amendment as quickly as possible.

We appreciate the opportunity to express our views. If you have any questions regarding our comments, please contact Beth Paul at (973) 236-7270 or Martha Garner at (973) 236-7294.

Sincerely,

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

PricewaterhouseCoopers LLP