



CENTER FOR CAPITAL MARKETS
C O M P E T I T I V E N E S S

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June 21, 2013

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

Re: Invitation to Comment on *Private Company Decision-Making Framework: A Guide for Evaluating Financial Accounting and Reporting for Private Companies* (File Reference No. 2013-250)

Dear Technical Director:

The U.S. Chamber of Commerce (the “Chamber”) is the world’s largest federation of businesses and associations, representing the interests of more than three million U.S. businesses and professional organizations of every size and in every economic sector. These members are both users and preparers of financial information. The Chamber created the Center for Capital Markets Competitiveness (“CCMC”) to promote a modern and effective regulatory structure for capital markets to fully function in a 21st century economy. To achieve these goals, the CCMC has supported the development of robust financial reporting systems and encouraged efforts to improve standards and reduce complexity. Financial reporting systems that provide decision useful information for users of private company financial reporting data are an important feature of efficient capital markets.

The CCMC appreciates the opportunity to comment on the *Private Company Decision-Making Framework* (the “2013 Framework”). In July 2012, the Financial Accounting Standards Board (“FASB”) staff issued a Discussion Paper on a *Private Company Decision-Making Framework* (the “2012 Discussion Paper”). It is our understanding that the 2013 Framework represents an update of the 2012 Discussion Paper following consideration of commentary and other outreach activities by FASB and the Private Company Council (“PCC”).

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The CCMC was among the respondents commenting on the 2012 Discussion Paper¹ expressing concerns that the 2012 Discussion Paper if enacted would increase complexity in private company accounting while creating confusion amongst users of private company accounting.

In this regard, the CCMC recognizes and appreciates that the 2013 Framework addresses two of our concerns. First, the updated 2013 Framework removes the presumption that industry-specific guidance for recognition and measurement is relevant to financial statement users of both public companies and private companies. Instead, the 2013 Framework now provides that the FASB and PCC would consider whether the same industry-specific guidance is relevant to users of both public and private companies. If not, then the Board and PCC can consider alternatives within U.S. Generally Accepted Accounting Principles (“US GAAP”) for that industry-specific guidance for private companies. Secondly, the 2013 Framework would generally allow a private company to select the alternatives within recognition and measurement guidance that it deems appropriate to apply without having to apply all such alternatives.

While these are improvements, unfortunately, the 2013 Framework is otherwise the same as the 2012 Discussion Paper. Thus, a number of serious concerns raised by the CCMC remain. Accordingly, we continue to urge the Financial Accounting Foundation (“FAF”), FASB, and PCC to take various steps to resolve these issues and have included as an attachment to this letter our comment letter of October 31, 2012 that outlines our concerns and recommendations.

Further, the CCMC notes that the FASB has a separate, albeit concurrent project on the definition of a public (nonpublic) entity for financial reporting purposes. This determination is critical because it will distinguish among the types of entities for standard-setting purposes (including not-for-profit entities) and determine which entities will be included in the scope of the 2013 Framework. The CCMC’s comment letter of October 31, 2012 also addresses issues related to these matters.

¹ See the October 31, 2012 letter from the CCMC to the FASB Technical Director on the *Private Company Decision-Making Framework* (File Reference 2012-230), which is included as an attachment to this letter.

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In conclusion, the CCMC continues to be dedicated to working with FAF, FASB, and the PCC to make sure that this endeavor is successful. We look forward to further discussions to achieve this goal.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Quaadman', with a long, sweeping horizontal stroke extending to the right.

Tom Quaadman