

Proposed Statement of Financial Accounting Concepts—Conceptual Framework for Financial Reporting:
 Chapter 8, Notes to Financial Statements

Question Text	Response
* Please select the type of entity or individual responding to this feedback form.	Preparer
Other, please specify (Specified)	
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)
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Should financial statements of employee benefit plans be excluded from the scope of this chapter of the conceptual framework?	In the preparation of our own employee benefit plan financial statements, we have noted that there are a number of disclosures required under current GAAP that we do not see as useful disclosure, e.g., fair value disclosures around participant-directed investments. We therefore agree that employee benefit plan financial statements and users are sufficiently different to warrant separate consideration for disclosure discussion and treatment, and should therefore
Do the concepts in this chapter related to not-for-profit entities address the informational needs of resource providers to those entities?	We believe that they do.
Do the concepts in this chapter encompass the information appropriate for disclosure in notes to financial statements that would assist resource providers	We believe that disclosure of uncertainties and other forward-looking information is typically not appropriate for financial statement notes. In particular, we note the following: <ul style="list-style-type: none"> • We believe that paragraphs D57 and D58 are more appropriately addressed outside the notes to the financial statements, as many of those items depend on future events that are usually outside of management’s control

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<p>in their decision making? Are there concepts that should be added or removed?</p>	<p>Because those uncertainties and forward-looking data are already covered within safe-harbor provisions of the SEC's rules and regulations, we believe that it would provide unnecessary duplication and unwarranted litigation exposure.</p> <ul style="list-style-type: none"> • Question L2 includes projections about cash flows that are not contractually specified, and are therefore subject to change in either amount or timing, which we believe provides inherently less decision-useful information to resource providers. • We believe that providing information about alternative measurements would be overly costly and wouldn't provide additional decision-useful information to the resource provider. Collecting the information necessary to report about alternative measurements could also require implementation of separate tracking processes and systems, which would not appear to be cost justified or in the best interest of the resource providers.
<p>Are there additional concepts needed to identify information that is unsuitable for requirement by the Board in notes to financial statements even though that information would be consistent with the purpose of the notes?</p>	<p>We haven't noted additional concepts other than the ones we have discussed in our responses to the other questions in this form.</p>
<p>Do the decision questions in Appendix A identify the information appropriate for the Board to consider requiring for disclosure when setting standards related to line items and other past events and current circumstances and conditions that can assist resource providers in their decision making?</p>	<p>We believe that using the decision questions as outlined would result in an overall increase in the depth and breadth of disclosures, which would result in additional disclosure overload rather than alleviating it. We believe that it would be worthwhile to narrow the scope of the decision questions to focus on the historical financial statements that are the subject of the report and reduce or eliminate the questions around forward-looking information, alternative measures, and uncertainties. For example, Question L6 asks about how the prospects for cash flows are affected by a number of different changes in economic factors, and responding to this question would essentially result in a risk factors discussion that is better handled outside the financial statements and notes.</p>
<p>Does the discussion in paragraphs D43–</p>	<p>We believe that the Board would need to carefully consider the amount of information already available</p>

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<p>D50 identify the information appropriate for the Board to consider when setting standards related to information about the reporting entity?</p>	<p>reporting entity. With the proliferation of information available through the Internet, social media, and other similar means of communication, we believe that additional required disclosure about the entity and its activities, restrictions, privileges, advantages, and disadvantages will likely be redundant.</p>
<p>Will the concepts related to future- oriented information (paragraphs D22– D31) result in disclosures that are appropriate for the notes? If not, what types of information should be included in or excluded from consideration for disclosure in the notes?</p>	<p>We believe that any disclosure of future-oriented information must be carefully considered, as even the three types of future-oriented information discussed by the Board may not be decision-useful information. For example, estimates and assumptions used as inputs to measurements may include future-oriented information, but disclosure of that information without a model that can be used by resource providers to evaluate alternative assumptions is not likely to be decision-useful. In addition, auditors are responsible to use their professional skepticism in evaluating estimates and assumptions, thereby providing some level of assurance to the resource provider that the estimates and assumptions are reasonably applied.</p> <p>Information about existing plans and strategies can always change and rarely is a plan or strategy solely under management’s control. Reporting entities are constantly reacting to new and changed competitive pressures at an increasingly rapid pace, and what may be reported as current plans for the disposition of an asset in a periodic report could be outdated soon thereafter.</p> <p>We believe that if cost-benefit analysis justifies it, sensitivity analysis is a reasonable way to provide</p>
<p>Do the concepts in this chapter appropriately distinguish the types of information that are appropriate for the notes from the analysis management provides in other communications?</p>	<p>We believe that there is still a significant amount of overlap between those items that are appropriate for the notes as compared to the analysis management provides in other communications. In particular, a number of the concepts and questions overlap with SEC requirements for MD&A (e.g., risk factors, forward-looking information, trends and uncertainties, and general business information such as plans and strategies). To avoid duplicative disclosure, there should be a better delineation of those items that belong in the notes and those that belong in a broader discussion</p>
<p>Are the concepts related to disclosure requirements for interim periods (paragraphs D60– D71) appropriate? If not, are there</p>	<p>In general, we agree with the concepts related to disclosure requirements for interim periods. We would continue to emphasize the importance of relying on the annual financial statements as the primary source of financial information, with the interim financial statements focused on significant or unexpected changes since the latest annual reporting date.</p>

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concepts that should be added or removed?	
If no disclosure guidance for a transaction, event, or line item is specified in U.S. GAAP, how will an entity consider the nonauthoritative guidance in this chapter?	We would expect to use the nonauthoritative guidance in this chapter as one input to our decision about disclosure, particularly whether we believe the disclosure would be decision-useful to our investors.
Please provide any additional comments on the proposed Concepts Statement:	
Please provide any comments on the electronic feedback process:	
<p>Below is a printable summary of your responses to the questions in this feedback form.</p> <p>You can revise your responses by clicking the "Back" button.</p> <p>All comments received constitute part of the FASB's public file. The FASB will make all comments publicly available by posting them to the Online Comment Letters portion of its website.</p> <p>If you are finished providing comments, click the 'Submit' button at the bottom of this page.</p>	Not Answered