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January 16, 2015

Susan M. Cosper, CPA
Technical Director
FASB
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: October 30, 2014 Exposure Draft of a Proposed Accounting Standards Update (ASU), *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, a consensus of the FASB Emerging Issues Task Force [File Reference No. EITF 14-B]

Dear Ms. Cosper:

One of the objectives that the Council of the American Institute of Certified Public Accountants (AICPA) established for the PCPS Executive Committee is to speak on behalf of local and regional firms and represent those firms' interests on professional issues in keeping with the public interest, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective. These comments, however, do not necessarily reflect the positions of the AICPA.

TIC has reviewed the ED and is providing the following comments for your consideration.

GENERAL COMMENTS

TIC supports the main provisions of this ED and believes a one-year transition period (with early implementation permitted) would be sufficient for private entities. To improve the clarity of the final standard, TIC is recommending that the Board clarify its rationale for deleting certain disclosure requirements.

SPECIFIC COMMENTS

Question 1: *Should investments for which fair values are measured at net asset value (or its equivalent) using the practical expedient be excluded from categorization within the fair value hierarchy? If not, why not and how should those investments be categorized?*

Yes.

Question 2: *Should the scope of the disclosures required in paragraph 820-10-50-6A be limited to only investments measured at net asset value (or its equivalent) using the practical expedient rather than all investments that are eligible to be measured at net asset value (or its equivalent) using the practical expedient? If not, why not?*

Yes.

Question 3: *Should any other disclosures be required for investments for which fair values are measured at net asset value (or its equivalent) using the practical expedient?*

No, TIC did not identify any new disclosures that would be needed. However, TIC believes the Basis for Conclusions was unclear as to why paragraph 820-10-50-6A(g) was struck as part of the proposed amendments. This paragraph states:

If a reporting entity determines that it is probable that it will sell an investment(s) for an amount different from net asset value per share (or its equivalent) as described in paragraph 820-10-35-62, the reporting entity shall disclose the total fair value of all investments that meet the criteria in paragraph 820-10-35-62 and any remaining actions required to complete the sale.

TIC requests that the Basis for Conclusions to the final standard discuss the Board's rationale for the deletion to improve the clarity of the final standard.

Question 4: *Should the proposed amendments be applied retrospectively? If not, why not?*

Yes. TIC believes retrospective application of the practical expedient is essential for comparability between the current period and any prior periods presented.

Question 5: *How much time would be needed to implement the proposed amendments? Should early adoption be permitted?*

TIC believes a standard one-year transition period would be sufficient since disclosure requirements are being reduced rather than increased. TIC agrees that early adoption should be permitted.

Question 6: *Do entities other than public business entities (that is, private companies and not-for-profit entities) need additional time to apply the proposed amendments? Why or why not?*

No. As a general rule, ASUs that include practical expedients relating to disclosures do not require extended effective dates for private entities and not-for-profit entities. As long as enough education time (i.e., at least one year) would be available for these entities, the same effective date may be used for public and nonpublic entities. TIC would not favor a transition period of less than one year, since shorter transition periods could cause preparers to miss the designated implementation window.

TIC appreciates the opportunity to present these comments on behalf of PCPS member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Scot Phillips". The signature is written in a cursive, slightly slanted style.

Scot Phillips, Chair
PCPS Technical Issues Committee

cc: PCPS Executive and Technical Issues Committees