







## **Appendix B – General comments about the Proposed Standard**

We have the following additional comment:

The proposed amendments to paragraph 740-10-65-5(f)(2) specify that a public business entity shall disclose that the prior periods were not “restated.” The Master Glossary defines “restatement” as “[t]he process of revising previously issued financial statements to reflect the correction of an error in those financial statements.” Because retrospective application of the Proposed Standard would not result in the correction of a prior period error, we believe the use of the term “retrospectively adjusted” would be more appropriate.

Thus, we recommend that the FASB amend the transition guidance as follows:

**740-10-65-5(f)(2):** “In the first interim and annual period of adoption, a public business entity shall disclose the following:

1. The nature of and reason for the change in accounting principle
2. A statement that prior periods were not retrospectively adjusted ~~restated~~.”