Grant Thornton

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

Grant Thornton LLP
175 W Jackson Boulevard, 20th Floor
Chicago, IL 60604-2687

T 312.856.0200
F 312 565 4719
www.GrantThornton.com

Via Email to director@fasb.org

Re: File reference numbers 2015-240

Dear Ms. Cosper:

Grant Thornton LLP appreciates the opportunity to comment on Proposed Accounting Standards Updates, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date.* We commend the Board on its efforts to address significant implementation issues in advance of the effective date. As those efforts have led the Board to tentatively decide to clarify certain guidance in the standard, we believe entities could benefit from additional time to understand the guidance and make changes necessary to implement the standard. As such, we support the Board's proposal to delay the effective date by one year as well as the proposal to allow early adoption as of the initial effective date. We have some concern that a deferral of any length could result in increased costs and a loss of momentum toward implementation. For this reason, we do not support a two-year delay.

Our responses to the Questions for Respondents follow.

Question 1: Should the effective date of the guidance in Update 2014-09 be deferred for one year for public business entities, certain not-for-profit entities, and certain employee benefit plans? Please explain why.

Yes. In addition to the reasons stated in the opening paragraph of this letter, a one-year deferral will increase the likelihood of a successful transition by all entities. Our view on Question 1 is influenced by our observation that ASU 2014-09 has a greater impact outside of the accounting function—that is, compensation, contracting, broad policies and systems—than most significant new standards, and even those entities that have worked hard to prepare for transition would benefit from more time.

Question 2: Should the effective date of the guidance in Update 2014-09 be deferred for one additional year for all other entities? Please explain why.

Yes. The Board noted in ASU 2014-09 BC520 several reasons for providing nonpublic entities one additional year, and we believe those reasons continue to apply. Private entities as a whole often have fewer personnel and financial resources to tackle large projects than public entities.

For most new standards and, in particular, major new standards, private entities benefit from the experience of public entities that adopt earlier. ASU 2014-09 will mean a fundamental shift in the way some entities recognize revenue and the ability to study disclosures and otherwise learn from public company implementation experience could be very helpful to private entities as they implement.

Question 3: In addition to providing a one-year deferral of the effective date of the guidance in Update 2014-09, should the Board also provide an optional two-year deferral for all entities that apply that guidance retrospectively to each reporting period presented? Please explain why.

No. We do not support introducing a further option to the effective date choices nor do we support the idea of a further deferral for certain entities based solely on the transition method selected. Allowing an option for certain entities to apply the guidance one year later increases complexity for preparers and users, introduces risk of slowing implementation efforts, and lengthens the period of time during which there will be lack of comparability among entities. We recognize that retrospective adoption provides the best information for financial statement users; however, we believe the one-year deferral proposed for all entities should provide enough time for entities that choose retrospective adoption to make the changes necessary to apply the guidance.

Question 4: Should earlier application of the guidance in Update 2014-09 be permitted as of the effective date originally included in Update 2014-09? Please explain why.

Yes. The Board should allow early application of the guidance as described. Introducing early application does not add complexity to the extent and in the form that 'delayed retrospective application' would introduce. While we recognize that permitting early application would present a period of non-comparability between financial statements of entities that elect to apply the guidance early and those that wait until the new effective date, early application would avoid penalizing those entities that established an implementation plan in accordance with the initial effective date in the standard and are on-track to apply the guidance at that initial effective date. Requiring those entities to "stand down" and wait for the additional year to pass could result in a loss of momentum and would likely result in greater implementation costs. For example, costs already incurred to apply the guidance retrospectively to 2015 would be of no benefit when an entity would not include 2015 in a typical three-year income statement presentation based on the new effective date.

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We would be pleased to discuss our comments with you. If you have any questions, please contact Lynne Triplett, 312-602-8060 or Doug Reynolds, 617-848-4877.

Sincerely,

/s/ Grant Thornton LLP