

June 29, 2015

Submitted via email: director@fasb.org

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

File Reference No. EITF-15B

Dear Technical Director:

The Technical Issues Group (TIG) of the Missouri Society of CPAs (MSCPA) appreciates the opportunity to comment on certain matters in the Proposed Accounting Standards Update, *Liabilities – Extinguishment, (Subtopic 405-20), Recognition of Breakage for Certain Prepaid Store-Value Cards, a consensus of the FASB Emerging Issues Task Force*. The views expressed herein are written on behalf of the TIG of the MSCPA. The TIG has been authorized by the MSCPA Board of Directors to submit comments on matters of interest to the society's membership. The views expressed in this letter have not been approved by the MSCPA Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the MSCPA.

We generally agree with the direction taken by the FASB Emerging Issues Task Force, however, we believe that the scope should be expanded. We also acknowledge that certain constituencies do not believe the proposed standard fairly accomplishes its objective.

Thank you for considering our comments. We would be pleased to respond to any questions the Board or its staff may have about any of the following comments. Please direct any questions to Josh Ayers, TIG Chairman (jayers@bdo.com).

Sincerely,



Josh Ayers
TIG Chairman



Jeff Antrainer
Project Leader

The following responses address selected questions:

Question 1: *Should the scope of the proposed amendments be limited to prepaid stored-value card liabilities resulting from the sale of cards with the characteristics specified in this proposed Update? If not, what other liabilities should be included in the scope of this proposed Update?*

Response: The characteristics specified in this proposed Update are too narrow to meaningfully reduce the current and potential future diversity in practice, specifically related to the derecognition of prepaid stored-card liabilities. The exclusion of cards with expiration dates, as well as cards that are subject to unclaimed property laws and those cards that are attached to segregated bank accounts, substantially reduces the scope of the proposed Update. Therefore, the criteria listed in the proposed Update should not be used to establish the scope of the proposed ASU's guidance. The proposed Update should apply to all prepaid-stored value cards that the entity is able to reasonably determine the pattern of rights expected to be exercised by the card holder.

Question 2: *If an entity expects to be entitled to a breakage amount, should a prepaid stored-value card liability within the scope of the proposed amendments be derecognized in proportion to the pattern of rights expected to be exercised by the card holder only to the extent that it is probable that a significant reversal of the recognized breakage amount will not subsequently occur? If an entity does not expect to be entitled to a breakage amount, should the liability be derecognized when the likelihood of the customer exercising its remaining rights becomes remote? If not, what breakage model would be appropriate?*

Response: Yes. Entities that expect to be entitled to a breakage amount, should derecognize the liability in proportion to the pattern of rights expected to be exercised by the card holders only to the extent that it is probable that a significant reversal of the recognized breakage amount will not subsequently occur and that entities that do not expect to be entitled to a breakage amount should derecognize the liability when the likelihood of the customer exercising its remaining rights becomes remote.

Question 3: *Should an entity be required to provide the disclosures specified in this proposed Update? Should any other disclosures be required? If yes, please explain what disclosures should be provided.*

Response: Yes. We agree with the disclosure requirements described in the proposed Update.

Question 4: *Should the proposed amendments be applied using a modified retrospective transition method (requiring a cumulative-effect adjustment as of the beginning of the annual period in which the guidance is effective)? If not, please explain why.*

Response: Yes. We agree with the transition requirements discussed in the proposed Update.

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

Response: We do not expect the time required to implement the proposed Update to be significant. We believe 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?*

Response: No. We do not believe private companies and not-for-profit entities need additional time to apply the proposed amendments. The information necessary to implement this proposed Update should be readily available to most entities.