Mr. Russell Golden, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

(Sent via e-mail to director@fasb.org)

Re: File Reference No. 2015-60

Dear Mr. Golden:
The International Business Machines Corporation ("IBM" or "the company") appreciates the opportunity to comment on the proposed Accounting Standards Update: Business Combinations (Topic 805): Simplifying the Accounting for Measurement - Period Adjustments (the "proposed ASU" or "exposure draft"), issued by the Financial Accounting Standards Board ("FASB").

The company continues to support the FASB in its efforts to simplify U.S. GAAP. We also continue to support the objective of improving disclosures and providing users with more decision useful information. The proposed amendments related to adjustments made to provisional amounts recognized in a business combination meet the objectives of the simplification initiative and improve financial reporting without reducing the usefulness of information provided to investors. We agree with the Board that the quality of provisional estimates has improved and that retrospective application does not significantly improve comparative period information. We are concerned that the incremental requirement to disclose the income effects that would have been recognized in previous reporting periods if the adjustments were made at the acquisition date would limit the intended benefit for preparers without significantly improving the usefulness of the information provided to investors. Therefore, we believe the Board should consider removing the proposed incremental disclosure requirement.

See below our responses to the specific questions in the proposed ASU.

Question 1: Should adjustments to provisional amounts and the corresponding adjustment to goodwill that are identified during the measurement period be recognized in the reporting period in which the adjustment amount is determined? Why or why not?

Yes. We agree with the proposal for an acquirer to recognize the cumulative effect of measurement period adjustments in the reporting period in which the adjustment amount is determined. We believe that the proposal would continue to provide meaningful information for users while reducing the costs and complexities associated with accounting for measurement period adjustments for preparers.

Question 2: If adjustments to provisional amounts as of the acquisition date would have affected earnings in periods subsequent to the initial accounting for the business combination, should the effect on earnings, in periods prior to the adjustment period, of changes in depreciation, amortization, or other income effects be recognized in the income statement in the reporting period in which the adjustment to the provisional amount is determined? Why or why not?

Yes. We agree that the elimination of the requirement to restate prior period financial statements would reduce costs and complexity.

We believe that the existing disclosure requirements in U.S. GAAP about the nature and amount of the measurement period adjustments recognized in the reporting period (which under the proposal would represent the cumulative amount recognized), combined with the other disclosure requirements of Topics 805 and 820, provide sufficient transparency regarding management's provisional estimates and subsequent changes to those estimates. If the proposed incremental disclosure requirement is retained, the intended simplification and cost saving would effectively be eliminated since preparation of the same information used to restate under current guidance would be needed for disclosure.

Question 3: Should the proposed guidance be applied prospectively to adjustments made to provisional amounts that are identified after the effective date and that are within the measurement period? Why or why not?

Yes. We agree the guidance should be applied prospectively to adjustments that are identified after the effective date and that are within the measurement period. We believe the effort required to adopt the proposed amendments would not be significant.

Question 4: How much time will be necessary to adopt the amendments in this proposed Update? Should early adoption be permitted? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?

We believe minimal time and effort would be required to adopt the proposed ASU, and therefore we support an effective date of January 1, 2016 for calendar year-end public and nonpublic reporting entities, with early adoption permitted.

Thank you for the opportunity to comment on the exposure draft. If you have any questions, please contact me at (914) 766-2008.

Sincerely,

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