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Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
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Via e-mail – **director@fasb.org**

Re: File Reference No. 2015-260. Proposed Accounting Standards Update: Business Combinations (Topic 805): *Simplifying the Accounting for Measurement-Period Adjustments*.

Plante & Moran, PLLC appreciates the opportunity to comment on the proposed Accounting Standards Update, *Simplifying the Accounting for Measurement-Period Adjustments.* We support the efforts of the Financial Accounting Standards Board to continue to identify opportunities to reduce the cost and complexity associated with financial reporting requirements, without diminishing the decision-useful information provided to investors and other financial statement users. Following, please find our responses to the specific Questions for Respondents in the Proposed Update.

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?

Response 1: Yes, we agree that adjustments to provisional amounts and goodwill during the measurement period should be recognized in the reporting period in which the adjustments are determined. The cost and complexity associated with the retrospective approach currently required in GAAP do not justify the benefits of recognizing those amounts in the period of acquisition.

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?

Response 2: We do not agree with the approach in the proposed Update that the cumulative effects on earnings of changes in depreciation and amortization as a result of measurement-period adjustments should be recognized in the reporting period in which the adjustments are determined. Rather, we view the measurement-period adjustments to long-lived assets identified in subsequent periods to be changes in estimates that should be accounted for in accordance with ASC 250. We believe accounting for adjustments to long-lived assets as changes in estimates is consistent with how other transactions are accounted for under GAAP and that the potential volatility in earnings that could result from the proposed guidance, especially in interim periods, is not justified. All other income effects should be recognized in the reporting period in which the adjustment to the provisional amount is determined.

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?

Response 3: Yes, we agree the proposed guidance should be applied prospectively to adjustments made to provisional amounts that are identified after the effective date and that are within the measurement period. Retrospective application of the proposed guidance would be complex with limited additional benefit to users of financial statements.

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?

Response 4: We expect the time necessary to adopt the amendments in the proposed Update to be minimal and that the amount of time would be similar for all entities. We also believe that early adoption of the proposed guidance should be permitted as both preparers and users will benefit from the proposed changes.

Thank you again for the opportunity to comment on this exposure draft. We would be pleased to respond to any questions the Board or its staff may have about these comments. Please direct any questions to David Grubb at **david.grubb@plantemoran.com** or 248.223.3745.

Very truly yours,

PLANTE & MORAN, PLLC