August 14, 2015

Ms. Susan M. Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

By e-mail: director@fasb.org

Re: Proposed Accounting Standards Update – Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting

(File Reference No. 2015-270)

Dear Ms. Cosper:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 28,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

The NYSSCPA's Financial Accounting Standards Committee deliberated the proposed accounting standards update and prepared the attached comments. If you would like additional discussion with us, please contact Craig T. Goodman, Chair of the Financial Accounting Standards Committee at (212) 303-1058, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

N Y S S C P A
N Y S S C P A

Joseph M. Falbo, Jr.
President

Attachment

NEW YORK STATE SOCIETY OF

CERTIFIED PUBLIC ACCOUNTANTS

COMMENTS ON

PROPOSED ACCOUNTING STANDARDS UPDATE – COMPENSATION—STOCK COMPENSATION (TOPIC 718): IMPROVEMENTS TO EMPLOYEE SHARE-BASED PAYMENT ACCOUNTING

(File Reference No. 2015-270)

August 14, 2015

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New York State Society of Certified Public Accountants

Comments on

Proposed Accounting Standards Update – Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting

(File Reference No. 2015-270)

General Comments

We are pleased to respond to the Financial Accounting Standards Board's (FASB or the Board) invitation to comment on the Proposed Accounting Standards Update – *Compensation – Stock Compensation (Topic 718): Improvements to the Employee Share-Based Payment Accounting* (Proposed Update).

We are pleased that the Board has taken action to follow the Simplification Initiative in the accounting policies for Employee Share-Based Payment Accounting. The current guidance creates unnecessary, policy-based inefficiencies among entities. The Simplification Initiative was implemented correctly as necessary by the Board for the Proposed Update. FASB's Simplification Initiative should be applied continually to create more appropriate financial statements without unnecessary costs.

Overall, we agree with the Proposed Update with the exception of the amendment for the classification of awards with repurchase features. The proposed guidance in the amendment creates complexity with speculative probability that we believe is inconsistent with the ideals of the Simplification Initiative. Our detailed responses to Questions 7 and 11 for respondents are presented below.

Specific Comments

Question 7: When assessing the classification of an award with a repurchase feature that can only be exercised on the occurrence of a contingent event, should a contingent event within the employee's control be assessed in the same manner as a contingent event outside the employee's control? If not, why should there be a difference in the assessment?

Response: We do not agree that a contingent event within the employee's control can be assessed in the same manner as a contingent event outside the employee's control. The proposed amendment creates a difficulty in practice in assessing the probability of an employee's free will. There is also a question of the lack of history for developing a probability based upon each entity's history. This probability creates a speculative aspect that will decrease consistency in practice. Therefore, the amendment will defy the Simplification Initiative and create unnecessary complexity to the classification process of a repurchase feature.

We believe that the current process within GAAP is simpler and more efficient than the proposed guidance and should remain unchanged.

Question 11: How much time will be necessary to adopt the amendments in this proposed Update? 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: The Proposed Update should not require a long period for integration and system changes. Therefore, we believe the amendments should be implemented for the annual periods beginning on or after December 15, 2015, and for interim periods with annual periods beginning on or after December 15, 2015. We believe the time needed to apply the proposed amendments should not differ between public and nonpublic entities.