

December 8, 2015

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

By e-mail: [director@fasb.org](mailto:director@fasb.org)

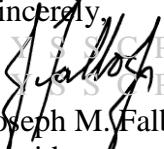
**Re: Proposed Concepts Statement—*Conceptual Framework for Financial Reporting*  
*Chapter 3: Qualitative Characteristics of Useful Financial Information***

**(File Reference No. 2015-300)**

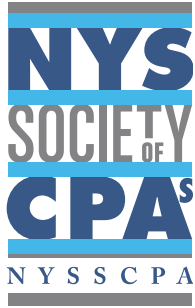
Dear Ms. Cospers:

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 concepts statement 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,  
  
Joseph M. Falbo, Jr.  
President

Attachment



**NEW YORK STATE SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS**

**COMMENTS ON**

**PROPOSED CONCEPTS STATEMENT—*CONCEPTUAL FRAMEWORK FOR  
FINANCIAL REPORTING CHAPTER 3: QUALITATIVE CHARACTERISTICS OF  
USEFUL FINANCIAL INFORMATION***

**(File Reference No. 2015-300)**

**December 8, 2015**

**Principal Drafters**

**Agwu Agwu  
William Epstein  
Jo Ann Golden  
Craig T. Goodman  
Michael D. Kasperski  
Denise Moritz  
Ahmed Shaik  
Margaret A. Wood**

**NYSSCPA 2015 – 2016 Board of Directors**

Joseph M. Falbo, <i>President</i>	Scott M. Adair	Mitchell J. Mertz
F. Michael Zovistoski, <i>President-elect</i>	Jeffrey F. Allen	Michael E. Milisits
John Lauchert, <i>Secretary/Treasurer</i>	Edward L. Arcara	Jacqueline E. Miller
Christopher G. Cahill, <i>Vice President</i>	Paul E. Becht	Barbara L. Montour
Jennifer R. George, <i>Vice President</i>	Jack M. Carr	Iralma Pozo
Stephen T. Surace, <i>Vice President</i>	Anthony S. Chan	M. Jacob Renick
Michael M. Todres, <i>Vice President</i>	John F. Craven	Warren Ruppel
Joanne S. Barry, <i>ex officio</i>	Rosemarie Giovinazzo- Barnickel	Steven A. Stanek
	Elizabeth A. Haynie	Denise M. Stefano
	Elliot L. Hendler	Janeen F. Sutryk
	Jan C. Herringer	Tracy D. Tarsio
	Patricia A. Johnson	Mark Ulrich
	Jean G. Joseph	Beth Van Bladel
	Barbara A. Marino	Mark Weg
	Kevin Matz	David J. Wojnas
		David G. Young

**NYSSCPA 2015 – 2016 Accounting & Auditing Oversight Committee**

Jan C. Herringer, <i>Chair</i>	Lourdes Eyer	Rita M. Piazza
Robert M. Rollmann, <i>Vice Chair</i>	Craig T. Goodman	William M. Stocker III
Charles Abraham	Adam S. Lilling	Steven Wolpow
Matthew T. Clohessy	Renee Mikalopas-Cassidy	

**NYSSCPA 2015 – 2016 Financial Accounting Standards Committee**

Craig T. Goodman, <i>Chair</i>	Abraham E. Haspel	Joseph Montero
Agwu Agwu	Edward P. Ichart	Denise Moritz
Brian M. Aledort	Tamar Kadosh	Lingyun Ou
Kenneth W. Bosin	Min Jung Kang	Pedro D. Pile
Christina Catalina	Michael D. Kasperski	Richard M. Posen
J. Roger Donohue	Angela V. Katehis	Renee Rampulla
Deepak K. Doshi	Jeffrey A. Keene	Viktoriya Riggs
Robert A. Dyson	Kevin Lee	Robert M. Rollmann
William Epstein	Martin Lee	Ahmed Shaik
Roseanne T. Farley	Joseph A. Maffia	Daniel Shea
Sharon Sabba Fierstein	Sean Martell	Mark Springer
Jo Ann Golden	Sean Matthews	Margaret A. Wood
Fred R. Goldstein	John J. McEnerney	

**NYSSCPA Staff**

Ernest J. Markezin

## New York State Society of Certified Public Accountants

### Comments on

### **Proposed Concepts Statement—*Conceptual Framework for Financial Reporting Chapter 3: Qualitative Characteristics of Useful Financial Information***

**(File Reference No. 2015-300)**

#### **General Comments**

We welcome the opportunity to respond to the Financial Accounting Standards Board's (FASB or the Board) invitation to comment on the Proposed Amendments to Statement of Financial Accounting Concepts: Concept Statement, *Conceptual Framework for Financial Reporting: Chapter 3: Qualitative Characteristics of Useful Financial Information*.

We are pleased to see the Board has taken action to resolve the inconsistency between the legal and FASB definition of materiality that has previously created uncertainty. The proposed amendments add a statement that materiality is a legal concept, which would place more responsibility on preparers and auditors of financial statement notes in interpreting the definition of materiality. We see a need for more clarity with the proposed amendments of this exposure draft because, as currently presented, we believe they will be difficult for the public to comprehend. The proposal lacks specificity when explaining the changes that would be implemented as a result of the update and we believe that it should be expanded and more thoroughly clarified.

#### **Specific Comments**

**Question: Do the proposed amendments improve Concepts Statement 8? If so, how? If not, why?**

**Response:** We do not believe that the proposed amendments would improve Concepts Statement 8, but instead change it to create the need for judgment that is already being required in the Topic 235 exposure draft. The amendment could create issues in merger situations that might lead to class action lawsuits. There is potential for the amendments to change the scope of audits, and with that a concurrent increase in costs. There is no certainty as to a court agreeing with the preparer's or the auditor's determinations of what disclosures are material in litigation. The amendment would change the definition of materiality that is currently identical with IASB's definition of materiality. Before changes are made we believe that further research should be performed on the potential impact of having differing definitions of materiality between FASB and IASB.