



Ford Motor Company
World Headquarters
One American Road
Dearborn, MI 48126

December 14, 2015

Technical Director -- File Reference No. 2015-310
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

VIA EMAIL: director@fasb.org

**File Reference: Comments on Exposure Draft, Notes to Financial Statements (Topic 235):
Assessing Whether Disclosures are Material**

Ford Motor Company ("Ford"), a global automotive industry leader based in Dearborn, Michigan, manufactures or distributes automobiles across six continents. We file consolidated financial statements with the SEC reflecting two business sectors, Automotive and Financial Services. We appreciate the Board's efforts on the disclosure framework project to improve the effectiveness of disclosures in the notes to the financial statements.

We believe that the accounting and finance personnel of a company should have the primary responsibility of interpreting accounting standards and preparing financial statements. While we agree that the application of materiality generally is, and should continue to be, evaluated in the context of the legal definition, the inclusion of the statement as written in paragraph 235-10-50-8, "Materiality is a legal concept," may have an unintended consequence of setting an expectation that additional legal analysis is required when a decision is made that an item is immaterial. As such, the inclusion of the statement may result in, additional complexity and cost, and delays in financial reporting. To avoid these unintended consequences, we encourage that the Board instead simply include the legal definition of materiality.

We support the Board's clarification that some, all, or none of the requirements in a disclosure Section may be material and we agree that the concept of materiality should be applied to quantitative and qualitative disclosures individually and in the aggregate. We recommend the Board clarify whether the concept of materiality in disclosures is also intended to apply to when an entity discloses an item (i.e., on the face of the financial statements or in the notes). For example, today we are required to report the assets and liabilities of a consolidated variable interest on the face of the balance sheet. We recommend that preparers be given the flexibility to disclose the relevant information in the manner and location that makes the most sense in the context of the entity's overall financial statements.

We also support the Board's proposal that the omission of immaterial disclosures should not be considered an accounting error. We recognize that Topic 105 already provides that provisions of the Accounting Standards Codification (ASC) need not be applied to immaterial items, but appreciate the specificity of this proposal that applies this guidance to disclosures. To further aid financial statement preparers' understanding of Topic 105, we suggest the Board consider amending Topic 105 to specify the

range of items intended to be covered by that statement. For example, amending the topic to state “provisions of the ASC need not be applied to immaterial items, including recognition, measurement, and disclosure” would provide clear direction of the intended purpose.

Finally, the Board acknowledges in the summary of the proposed Update that the amendments would only address issues for which the Board has authority. We recognize the Board has limited authority and cannot mandate their views be accepted by other bodies of authority, namely the Public Company Accounting Oversight Board (PCAOB) and the Securities and Exchange Commission (SEC). While the PCAOB has accepted the Supreme Court definition of materiality as set forth in Auditing Standard No. 11 pa. 2, Consideration of Materiality in Planning and Performing an Audit, the PCAOB has a singular definition of the de minimis threshold that is used by auditors to accumulate financial statement and footnote errors and omissions that must be reported to an audit committee, which could be viewed as at odds with the proposed Update. Since our ability to apply the proposed Update could be constrained in part by the definition of the de minimis threshold as defined by the PCAOB and applied by auditors, we encourage the Board to work with both the PCAOB and the SEC and advocate a need for them to adopt similar guidance.

We appreciate the Board’s consideration of our comments.

Sincerely,



Susan M. Callahan
Director, Americas Accounting and Global Accounting Policy