



November 27, 2017

RSM US LLP

Ms. Susan M. Cospers  
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**File Reference No. 2017-280**

Dear Ms. Cospers:

RSM US LLP is pleased to provide feedback on the proposed Accounting Standards Update (ASU), *Consolidation (Topic 812): Reorganization*. We appreciate the opportunity to provide comments, and we support the Board's efforts to make the consolidation guidance easier to understand and apply. Our responses to the questions for respondents follow.

**Responses to Questions for Respondents**

**Question 1:** *Would the reorganization of Topic 810 into a new Topic 812 with separate Subtopics for VIEs (Subtopic 812-20) and voting interest entities (Subtopic 812-30) be easier to understand and navigate? If not, please explain what other approaches the Board should consider.*

We believe the reorganization of the guidance, including separate subtopics for VIEs and voting interest entities, represents a significant improvement and makes the guidance easier to read and understand.

**Question 2:** *Is the guidance for "Consolidation of Entities Controlled by Contract" applicable only for not-for-profit entities and, thus, should be within Topic 958? If not, please explain why.*

We agree with the proposal to move the guidance for "consolidation of entities controlled by contract" to Topic 958.

**Question 3:** *Is the consolidation guidance for research and development arrangements currently in Subtopic 810-30 not used in practice and, therefore, should be superseded? If not, please explain why or why not and the types of transactions that may still be within the scope of that Subtopic.*

We have not had experience applying the guidance in Subtopic 810-30 and therefore would not object to that guidance being superseded.

**Question 4:** *Are there any areas or items in proposed Topic 812 that, as reorganized or clarified, are difficult to understand? If so, please describe the areas or items and explain why they are difficult to understand.*

As previously mentioned, we believe the reorganized guidance is much clearer and easier to understand. We do not believe any reorganized areas are difficult to understand.

**Question 5:** *Given that the Board does not anticipate changes to accounting for consolidation or changes in outcomes reached as a result of the amendments in this proposed Update, should transition guidance*

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*be provided? If so, please explain what changes in this proposed Update may cause changes in practice or outcomes.*

We agree that changes to accounting for consolidation or changes in outcomes should not result from the proposed changes. However, as the proposed ASU indicates, when the FASB has undertaken similar efforts in the past, changes have resulted in limited circumstances. Consequently, we do not object to including transition guidance.

**Question 6:** *Do you agree with the proposed transition requirements in paragraph 812-30-65-1? If not, what transition approach would be more appropriate?*

We agree with the proposed transition requirements.

**Question 7:** *Should a reporting entity be required to provide the transition disclosures specified in the amendments in this proposed Update? Should any other disclosures be required? If so, please explain why.*

We agree with the proposed disclosure requirements, and believe they are sufficient enough to not require other disclosures.

**Question 8:** *Should the effective date be the same for both public business entities and entities other than public business entities?*

We agree with the proposal to link the effective date of the reorganization to an entity's adoption of ASU 2015-02, and see no reason for public business entities and entities other than public business entities to have different effective dates.

**Question 9:** *How much time would be needed to implement the proposed amendments? Should entities other than public business entities be provided with more time? If so, how much more time?*

We do not anticipate significant, if any, changes to result from implementation of this proposal and therefore do not believe it would require much time to implement.

#### **Other Comments**

We note that Subtopics 812-20 and 812-30 each have a glossary. We believe that certain definitions are only relevant to one of the two Subtopics. For example, we do not believe a definition of "variable interest entity" is needed in Subtopic 812-30 on voting interest entities. Given the similarities between the two glossaries, we believe one overall glossary would be sufficient.

We appreciate this opportunity to provide feedback on the proposed ASU and would be pleased to respond to any questions the Board or its staff may have concerning our comments. Please direct any questions to Rick Day at 563.888.4017 or Richard Stuart at 203.905.5027.

Sincerely,

*RSM US LLP*

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