

January 17, 2018

Mr. Russell Golden, Chairman  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

(Sent via e-mail to [director@fasb.org](mailto:director@fasb.org))

Re: File Reference No. 2018-200

Dear Mr. Golden:

The International Business Machines Corporation (“IBM” or “the company”) appreciates the opportunity to comment on the proposed Accounting Standards Update: Leases (Topic 842): Targeted Improvements (the “proposed amendment” or “exposure draft”), issued by the Financial Accounting Standards Board (“FASB”).

We commend the FASB for issuing the proposed ASU and for their responsiveness to stakeholder concerns. We are supportive of the revisions related to the optional transition method and the lessor practical expedient. We believe these changes improve the operability of Topic 842 and will reduce the cost and complexity of transitioning to and applying the new lease standard.

While selecting the additional transition option will reduce comparability within the financial statements and related notes, we believe the existing requirements in ASC 840 and S-K 303(a)(5), for public entities, will provide sufficient information for financial statement users to understand trends and cash flows related to leases for the years prior to adoption. We believe the reduced costs, relating to data gathering, retrospective reporting, and additional disclosures, will outweigh the benefits of the additional comparative information. Further, the additional transition option more closely aligns with one of the transition options in IFRS 16. As a multi-national corporation with statutory reporting requirements, options, such as these, that align Topic 842 to IFRS 16 are also viewed as a cost-savings in relation to implementation and on-going reporting.

We encourage the FASB to continue to gather feedback from stakeholders and monitor implementation issues arising from the new lease standard, as well as explore additional expedients that may provide transition relief for preparers without eliminating useful decision-making information for users. Further, we believe finalizing the proposed amendments and any other potential changes relating to the new lease standard in a timely manner is critical. Any changes may impact current implementation efforts including, but not limited to, system configuration.

Thank you for the opportunity to comment on the exposure draft. If you have any questions, please contact me at (914) 765-5074.

Sincerely,

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