



The Association of
Accountants and
Financial Professionals
in Business

April 18, 2019

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

Re: File Reference No. 2019-400, Proposed Accounting Standards Update (ASU), *Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606)*

Dear Ms. Cospers:

The Financial Reporting Committee (FRC) of the Institute of Management Accountants (IMA) is writing to share its views on the Financial Accounting Standards Board's (FASB) Exposure Draft of a Proposed ASU, *Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606)* (Proposed ASU).

The IMA is a global association representing over 130,000 accountants and finance team professionals. Our members work inside organizations of various sizes, industries and types, including manufacturing and services, public and private enterprises, not-for-profit organizations, academic institutions, government entities, and multinational corporations. The FRC is the financial reporting technical committee of the IMA. The Committee includes preparers of financial statements for some of the largest companies in the world, representatives from the world's largest accounting firms, valuation experts, accounting consultants, academics, and analysts. The FRC reviews and responds to research studies, statements, pronouncements, pending legislation, proposals, and other documents issued by domestic and international agencies and organizations. Additional information on the FRC can be found at www.ima.org (About IMA, Advocacy, Financial Reporting Committee).

We support the proposed amendments in the Proposed ASU to promote consistency in the date on which companies measure the fair value of share-based consideration promised to a customer as part of a revenue arrangement. While there will be circumstances where the measurement of the fair value of share-based consideration and the measurement of other non-cash consideration exchanged in a revenue arrangement will take place at different dates, we believe the requirement to measure share-based consideration on the grant date under the Proposed ASU represents a pragmatic approach to the issue.

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We would be pleased to discuss our comments with the FASB or its staff at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "N. Schroeder". The signature is written in a cursive, flowing style.

Nancy J. Schroeder, CPA
Chair, Financial Reporting Committee
Institute of Management Accountants
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