



May 1, 2020

Mr. Shayne Kuhaneck
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference No. 2020-300

Dear Mr. Kuhaneck:

We appreciate the opportunity to comment on the Proposed Accounting Standard Update (ASU), *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*.

We support the Board's effort to provide relief to entities impacted significantly by the COVID-19 pandemic by allowing additional time to adopt these new ASUs. Entities currently have a shortage on resources to spend adopting these new standards and the additional guidance coming from the board at a later point will assist them in using these resources the most effective way at a more opportune time.

The Appendix to this letter includes our responses to the questions raised in the Exposure Draft. We are available to discuss our comments with the Board or staff at their convenience.

Sincerely,

Simon Lever LLC

Simon Lever LLC

www.simonlever.com

Appendix – Responses to Questions for Respondents Included in the FASB’s proposal

Question 1 – *Should the effective date of Revenue for franchisors that are not public business entities be optionally deferred to annual reporting periods beginning after December 15, 2019, and interim reporting periods within annual reporting periods beginning after December 15, 2020? Please explain why or why not.*

Comment

We believe the effective date should be deferred one year as suggested by the Board in order to provide the Board with time to explore the issues around initial franchise fees. Additionally, this will provide those impacted the time necessary to devote resources to properly adopt Topic 606. Excess resources are not currently available for many companies and this relief on the effective date should allow companies to properly adopt the standard.

Question 2 – *Is the scope of the Revenue deferral (franchisors that are not public business entities) clear? If not, please explain why*

Comment

We believe the scope of the Revenue deferral is clear and appropriate in the given circumstances.

Question 3 – *Should Leases be effective for entities in the “all other” category (such as private companies and private NFP entities) for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022? Please explain why or why not.*

Comment

Allowing time for the Board to hold the roundtable meeting for private companies to hear implementation issues that public companies faced would go a long way in assisting these companies to adopt the ASU more easily. With this meeting and the potential of additional practical expedients being delayed to later this year at the earliest, there would be little time for effected entities to use this information in adopting the standard. As a result, we find the proposed one year deferral in the effective date to be necessary for proper implantation by entities in the “all other” category.

Question 4 – *Should Leases be effective for NFP entities that have issued or are conduit bond obligors for securities that are traded, listed, or quoted on an exchange or an over-the-counter market that have not yet issued financial statements for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years? Please explain why or why not.*

Comment

We believe Leases should be effective for NFP entities as mentioned in question 4 in order to maintain consistency across different entities of a similar type. While these entities will be short on resources, some of them would have already issued statements with the understanding that they were required to adopt the new standard this year, so that should be applied to the remainder of entities that have not yet issued financial statements.