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October 21, 2015

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

RE: Proposed FASB Accounting Standards Update, *Effective Date and Transition Guidance* (File Reference No. PCC-15-01)

Dear Technical Director:

We appreciate the opportunity to comment on the FASB and Private Company Council (PCC) proposed Accounting Standards Update (ASU), *Effective Date and Transition Guidance*. We support the proposal to remove the specific effective dates from the four PCC ASUs and to add transition provisions that would allow a private company to forgo a preferabililty assessment the first time it elects a private company accounting alternative.

While we support the proposed ASU, we believe a few modest improvements to the transition guidance would be helpful to better understand the reporting period in which the alternatives may first be adopted and the disclosures that are required on initial adoption.

We recommend explicitly clarifying that the period of adoption may be either at the beginning of an annual or interim reporting period (including other than the first interim period of the annual period) as long as the financial statements for that period have not been made available for issuance. We believe clarifying the point of adoption is particularly important for those entities that are adopting the goodwill amortization alternative (either on its own or in conjunction with adopting the identifiable intangibles alternative) because for existing goodwill, that standard requires retrospective application to the beginning of the period of adoption. For example, assume a calendar year company has made its first and second quarter financial statements available for issuance without electing the goodwill alternative. If it consummates a business combination in its third quarter and elects the identifiable intangibles alternative, it also will need to adopt the goodwill amortization alternative for existing goodwill retrospective to the beginning of the period of adoption. The Board and the PCC should clarify whether the entity has *the option* to define the period of adoption as the annual period (and begin amortizing existing goodwill beginning January 1) **or** its third quarter (and begin amortizing existing goodwill beginning July 1), or whether it can choose only the beginning of the annual period or can choose only the beginning of the third quarter.

Finally, the transition guidance in ASU 2014-03 and ASU 2014-07, subparagraphs 815-10-65-6(e) and 810-65-4(e), respectively, specifically requires an entity to provide the disclosures required under ASC Topic 250 for a change in accounting principle, unless otherwise noted, while ASU 2014-02 and ASU 2014-18 do not include that requirement. We recommend adding a specific reference in paragraphs 350-20-65-2 and 805-20-65-2 to the relevant disclosure guidance

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in ASC Topic 250 to provide consistent transition guidance and to avoid confusion about whether the Board or PCC intended to waive these disclosures for ASUs 2014-02 and 2014-18.

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If you have questions about our comments or wish to discuss the matters addressed herein, please contact Kimber Bascom at (212) 909-5664 or Angie Storm at (212) 909-5488.

Sincerely,

KPMG LLP

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