



November 22, 2017

Susan M. Cospers, CPA  
Technical Director  
FASB  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

**Re: FASB October 3, 2017 Proposed Accounting Standards Update *Codification Improvements*  
[File Reference No. 2017-320]**

Dear Ms. Cospers:

The American Institute of CPAs (AICPA) is the world's largest member association representing the accounting profession, with more than 418,000 members in 143 countries, and a history of serving the public interest since 1887. One of the objectives that the Council of the AICPA established for the PCPS Executive Committee is to speak on behalf of local and regional firms and represent those firms' interests on professional issues in keeping with the public interest, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective. These comments, however, do not necessarily reflect the positions of the AICPA.

TIC has reviewed the Proposed Accounting Standards Update, *Codification Improvements* (ED) and is providing the following comments for your consideration.

#### **GENERAL COMMENTS**

TIC believes this ED addresses some improvements to GAAP and is consistent with the Boards standing project on its agenda to address suggestions received from stakeholders on the Codification and to make other incremental improvements to GAAP. TIC also has additional comments on the ED as outlined below.

#### **SPECIFIC COMMENTS**

***Question 1:*** *Do you agree with the amendments to the Codification in this proposed Update? If not, please explain which proposed amendment(s) you disagree with and why.*

As it relates to the proposed changes to 820-10-35-16D, TIC believes that most entities already are considering any restrictions preventing the sale of the liability or equity instrument where there are restrictions that are characteristics of an asset as all pricing models, where TIC is aware,

build this into their valuation methods. TIC believes this is a welcome wording change, but should not result in any significant changes to practice.

TIC does have some concerns with the proposed amendments to Subtopic 962-325, *Plan Accounting—Defined Contribution Pension Plans—Investments—Other*. The amendment to Subtopic 962-325 in this proposed Update would remove the stable value common collective trust fund from the illustrative example in paragraph 962-325-55-17 to avoid the interpretation that such an investment should always be measured using the net asset value per share practical expedient. Rather, a plan would need to evaluate whether a readily determinable fair value exists.

TIC believes a better possible correction would be for the Board to add a footnote to the current example and simply indicate something to the effect of, “In some cases Plans might conclude that the NAV practical expedient was not the most appropriate for this type of investment and would continue to present the values in the fair value hierarchy table.” TIC’s concern is that, if the Board removes the current presentation, constituents may go in the other direction and indicate that they took CCRTs out of presentation at RDFV because presenting stable value funds in that manner was wrong, which TIC believes was not the Board’s intention.

***Question 2:*** *Would any of the proposed amendments result in substantive changes to the application of existing guidance that would require transition provisions? If so, please describe?*

TIC does not believe any of the proposed amendments would result in substantive changes to the application of existing guidance and, therefore, TIC does not believe any transition provisions would be required.

***Question 3:*** *Are there other changes that should be made that are directly or indirectly related to the proposed amendments?*

TIC doesn’t have any additional changes that should be made except for our suggested change related to the illustrative example in paragraph 962-325-55-17 as noted above in our response to question 1.

***Question 4:*** *The proposed amendments would apply to public and nonpublic entities. Would any of the proposed amendments require special consideration for nonpublic entities? If so, which proposed amendment(s) would require special consideration and why?*

TIC does not believe any of the proposed amendments would require special consideration for nonpublic entities.

TIC appreciates the opportunity to present these comments on behalf of PCPS member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Michael A. Westervelt". The signature is written in a cursive style with a large initial 'M' and 'W'.

Michael A. Westervelt, Chair  
PCPS Technical Issues Committee  
cc: PCPS Executive and Technical Issues Committees