

January 29, 2018

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

Re: File Reference No. 2018-200

Submitted via electronic mail to director@fasb.org

Dear Chairman Golden,

The Committee on Corporate Reporting ("CCR") of Financial Executives International ("FEI") appreciates the opportunity to comment on Proposed Accounting Standards Update—Leases (Topic 842): Targeted Improvements. We applied the FASB staff and Board for their timely response to industry feedback through this Proposed Accounting Standards Update.

FEI is a leading international organization representing approximately 10,000 members, including Chief Financial Officers, Controllers, Treasurers, Tax Executives and other senior-level financial executives. CCR is a technical committee of FEI, and reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations. CCR member companies represent approximately \$8.6 trillion in market capitalization and actively monitor the standard setting activities of the FASB.

This letter represents the views of CCR and not necessarily the views of FEI or its members individually.

## **Transition – Comparative Reporting at Adoption**

CCR is fully supportive of the proposed amendment to allow entities to elect to initially apply the requirements of ASC 842, *Leases*, by recognizing a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. We believe this approach will reduce the costs and complexity associated with implementing ASC 842, and would not deprive investors of valuable information. Further, if elected, this approach would significantly ease the burden of adoption because

providing the option to not present comparative reporting would ameliorate many of the other consequential issues preparers are facing. Some of these consequential issues include, but are not limited to: how systems accommodate foreign currency exchange rates during the comparative periods, assessing and tracking agreements expiring during the transition period, and other issues related to disclosures under comparative reporting.

It is also worthwhile to note that IFRS 16 does not require companies to restate prior periods; therefore this amendment would align with global practice for transition accounting.

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We appreciate the FASB's continued support as we work through the complexities of implementation. Should you have any questions, we welcome the opportunity to discuss our comments further.

Sincerely,

Mick Homan

Mick Homan Chairman Committee on Corporate Reporting Financial Executives International