

December 19, 2013

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

By e-mail: director@fasb.org

**Re: Proposed Accounting Standards Update—*Development Stage Entities (Topic 915):
Elimination of Certain Financial Reporting Requirements***

File Reference No. 2013-320

Dear Ms. Cospers:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 29,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

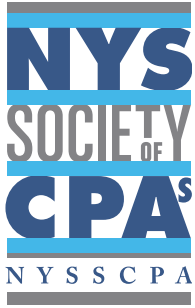
The NYSSCPA's Financial Accounting Standards Committee deliberated the proposed accounting standards update and prepared the attached comments. If you would like additional discussion with us, please contact Robert M. Rollmann, Chair of the Financial Accounting Standards Committee at (914) 421-5605, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

A handwritten signature in blue ink that reads "J. Michael Kirkland". The signature is written over a faint, semi-transparent version of the NYSSCPA logo.

J. Michael Kirkland
President

Attachment



**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**PROPOSED ACCOUNTING STANDARDS UPDATE—*DEVELOPMENT STAGE*
ENTITIES (TOPIC 915): ELIMINATION OF CERTAIN FINANCIAL REPORTING
*REQUIREMENTS***

File Reference No. 2013-320

December 19, 2013

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J. Roger Donohue
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New York State Society of Certified Public Accountants

Comments on

Re: Proposed Accounting Standards Update—*Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements*

File Reference No. 2013-320

We welcome the opportunity to comment on the Financial Accounting Standards Board's (the Board) Proposed Accounting Standards Update – *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements* (the Update). Our responses to the Questions for Respondents are presented below.

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

Response: We agree with the proposed elimination of cumulative information currently presented in development stage entities' financial statements. The Board's reasoning on long lived development stage entities, as presented in paragraphs BC7 and BC9, is consistent with our collective experience.

However, the definition of "development stage entity" and the disclosure requirements presented in ASC 915-235-50 should be retained. As the Board notes in paragraph BC10, development stage entities differ in certain respects from entities not currently considered being in development stage. Retaining the current requirement to describe the nature of the development stage entities' activities would be useful in distinguishing entities in "development stage" from those that are not. Similarly, we recommend retaining the disclosure that an entity had been in the development stage in prior years during the first fiscal year in which it is no longer considered in the development stage. This disclosure highlights the transition to "normal" operations. The proposed amendment's elimination of this disclosure requirement would mean entities would disclose the nature of their enterprise according to ASC 275-10-50-2 and ASC 275-10-55-2 resulting in generic disclosure insufficiently robust to describe the reporting entities' operations and plans to achieve their objectives.

Question 2 – Under the proposed amendments, all entities applying Topic 810 would be required to evaluate the total equity investment at risk using the guidance on the sufficiency of equity investment at risk in paragraphs 810-10-25-45 through 25-47, which requires both qualitative and quantitative evaluations. Will the proposed amendments to Topic 810 result in substantive changes in the consideration of a development stage entity for consolidation? Do you agree with this change? How significant would this change be?

Response: We agree with the amendment as it simplifies the accounting. The proposed amendment aligns the consideration of development stage entities with other forms of entities in applying the variable interest entity guidance.

Question 3 – Is there information, either previously required and proposed to be eliminated or not previously required, that would be useful to investors and potential investors of development stage entities? If so, please describe the information that development stage entities should be required to provide and why.

Response: As discussed in our response to Question 1, we believe the definition of development stage entities and disclosure of their unique operations should be retained.

Question 4 – Will the proposed amendments result in substantive changes to the application of other existing guidance that would require transition provisions or that the Board should consider in determining the appropriate effective date for the final amendments? If so, please describe.

Response: We do not believe the proposed amendments would result in substantive changes in the application of other existing guidance.

Question 5 – The proposed amendments would apply to public and nonpublic entities. Will any of the proposed amendments require special consideration for nonpublic entities? If so, which proposed amendment(s) will require special consideration and why?

Response: We believe that the proposed amendment should apply to both public and non-public entities as users of both types of entities require the same information.