

October 5, 2015

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

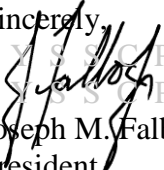
**Re: Proposed Accounting Standards Update – Derivatives and Hedging (Topic 815):
Contingent Put and Call Options in Debt Instruments
(a consensus of the FASB Emerging Issues Task Force)**

(File Reference No. EITF-15E)

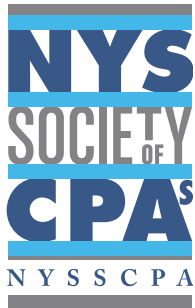
Dear Ms. Cospers:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 28,000 CPAs in public practice, business, 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 Craig T. Goodman, Chair of the Financial Accounting Standards Committee at (212) 303-1058, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

Joseph M. Falbo, Jr.
President

Attachment



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

**COMMENTS ON
PROPOSED ACCOUNTING STANDARDS UPDATE – DERIVATIVES AND HEDGING
(TOPIC 815): CONTINGENT PUT AND CALL OPTIONS IN DEBT INSTRUMENTS
(a consensus of the FASB Emerging Issues Task Force)**

(File Reference No. EITF-15E)

October 5, 2015

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New York State Society of Certified Public Accountants

Comments on

Proposed Accounting Standards Update – Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments (a consensus of the FASB Emerging Issues Task Force)

(File Reference No. EITF-15E)

General Comments

We are pleased to respond to the Financial Accounting Standards Board's (FASB or the Board) invitation to comment on the Proposed Accounting Standards Update – *Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments (a consensus of the FASB Emerging Issues Task Force)* (Proposed Update).

We are pleased that the Board has taken action to address the diversity in practice arising from interpretative questions about how the four step decision sequence interacts with the original guidance for assessing embedded contingent put and call options in a debt host instrument. Overall, we agree with the Proposed Update. Our detailed responses to questions for respondents are presented below.

Specific Comments

Question 1: Do you agree that the assessment of whether a contingent call (put) option in a debt instrument that can accelerate the repayment of principal is clearly and closely related to its debt host should require only an assessment of the four-step decision sequence and not an additional assessment of the event that triggers the ability to exercise the call (put) option? If not, why?

Response: We agree.

Question 2: Do you agree that the effects of the proposed amendments should be applied on a modified retrospective basis as of the beginning of the fiscal year, and interim periods within that fiscal year, for which the proposed amendments are effective? If not, why?

Response: We believe that the application of the proposed amendments should be at either the beginning of the current fiscal year of adoption or the earliest period presented in the year of adoption. Adopting this standard at an interim period and not the beginning of the fiscal year will increase administrative burdens.

Question 3: Do you agree that a reporting entity should have a one-time option, as of the beginning of the fiscal year for which the proposed amendments are effective, to irrevocably elect to measure a debt instrument affected by the proposed amendments in its entirety at fair value with changes in fair value recognized in earnings? If not, why?

Response: We agree.

Question 4: How much time would be needed to implement the proposed amendments and should the implementation period for entities other than public business entities differ from the implementation period for public business entities? Should early adoption be permitted? Please explain why.

Response: We do not have a detailed basis to estimate the time needed to implement the proposed amendments, but we believe that the time would not be significant having observed that affected entities have already evaluated the four-step decision sequence. For the same reason, we do not believe the implementation period for entities other than public business entities should differ from the implementation period for public business entities, and our view is that early adoption should be permitted. Significant effort should not be required to implement the proposed amendments and the reporting entity should have the choice to implement the standard when it deems appropriate within the period of release to the period of required adoption.

Question 5: Should a reporting entity be required to provide the transition disclosures specified in this Proposed Update? Should any other disclosures be required? If so, please explain why.

Response: We agree with the required transition disclosures specified in this Proposed Update and believe that the reporting entity should also disclose the method of implementation if a choice is made available in the final Proposed Update.