

December 8, 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

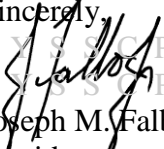
**Re: Proposed Concepts Statement—*Conceptual Framework for Financial Reporting*
*Chapter 3: Qualitative Characteristics of Useful Financial Information***

(File Reference No. 2015-300)

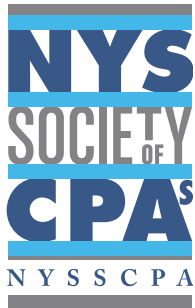
Dear Ms. Cospers:

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 concepts statement 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 CONCEPTS STATEMENT—*CONCEPTUAL FRAMEWORK FOR
FINANCIAL REPORTING CHAPTER 3: QUALITATIVE CHARACTERISTICS OF
USEFUL FINANCIAL INFORMATION***

(File Reference No. 2015-300)

December 8, 2015

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New York State Society of Certified Public Accountants

Comments on

Proposed Concepts Statement—*Conceptual Framework for Financial Reporting Chapter 3: Qualitative Characteristics of Useful Financial Information*

(File Reference No. 2015-300)

General Comments

We welcome the opportunity to respond to the Financial Accounting Standards Board's (FASB or the Board) invitation to comment on the Proposed Amendments to Statement of Financial Accounting Concepts: Concept Statement, *Conceptual Framework for Financial Reporting: Chapter 3: Qualitative Characteristics of Useful Financial Information*.

We are pleased to see the Board has taken action to resolve the inconsistency between the legal and FASB definition of materiality that has previously created uncertainty. The proposed amendments add a statement that materiality is a legal concept, which would place more responsibility on preparers and auditors of financial statement notes in interpreting the definition of materiality. We see a need for more clarity with the proposed amendments of this exposure draft because, as currently presented, we believe they will be difficult for the public to comprehend. The proposal lacks specificity when explaining the changes that would be implemented as a result of the update and we believe that it should be expanded and more thoroughly clarified.

Specific Comments

Question: Do the proposed amendments improve Concepts Statement 8? If so, how? If not, why?

Response: We do not believe that the proposed amendments would improve Concepts Statement 8, but instead change it to create the need for judgment that is already being required in the Topic 235 exposure draft. The amendment could create issues in merger situations that might lead to class action lawsuits. There is potential for the amendments to change the scope of audits, and with that a concurrent increase in costs. There is no certainty as to a court agreeing with the preparer's or the auditor's determinations of what disclosures are material in litigation. The amendment would change the definition of materiality that is currently identical with IASB's definition of materiality. Before changes are made we believe that further research should be performed on the potential impact of having differing definitions of materiality between FASB and IASB.