



January 28, 2010

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Technical Director, File Reference No. 1760-100
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

RE: Proposed Accounting Standards Update, "Subsequent Events (Topic 855), Amendments to Certain Recognition and Disclosure Requirements" (File Reference No. 1760-100)

Dear Technical Director:

The Center for Audit Quality (CAQ) is an autonomous public policy organization dedicated to enhancing investor confidence and public trust in the global capital markets. The CAQ fosters high quality performance by public company auditors, convenes and collaborates with other stakeholders to advance the discussion of critical issues requiring action and intervention, and advocates policies and standards that promote public company auditors' objectivity, effectiveness and responsiveness to dynamic market conditions. Based in Washington, D.C., the CAQ is affiliated with the American Institute of Certified Public Accountants (AICPA). The CAQ appreciates the opportunity to comment on the proposed Accounting Standards Update, "Subsequent Events (Topic 855), Amendments to Certain Recognition and Disclosure Requirements" (the proposed ASU). This letter represents the observations of the CAQ, but not necessarily the views of any specific firm, individual or CAQ Governing Board member.

We believe that the proposed ASU addresses the conflicts between the reporting requirements for entities that file or furnish financial statements with the SEC and the Topic 855 requirement for all entities to disclose in the financial statements the date through which management evaluated subsequent events. We urge the FASB to adopt the proposed ASU as soon as possible so that public companies can immediately implement its changes. We note that the largest public companies with calendar year ends are required to file their annual reports with the SEC no later than March 1, 2010 and many expect to file near the end of February 2010.

The proposed ASU addresses the disclosure requirements that apply to entities that file or furnish their financial statements with the SEC (i.e., issuers). However, as currently worded, it is not clear whether financial statements of entities other than an issuer that are included or incorporated by reference in an SEC filing are also not required to disclose the date through which management has evaluated subsequent events. Financial statements for other entities may be included in an issuer's annual report on Form 10-K, a current report on Form 8-K or a registration statement to satisfy the issuer's SEC filing requirements under Rules 3-05 and 3-14 of Regulation S-X (acquired business or real estate operations), Rule 3-09 of Regulation S-X (investment accounted for under the equity method) and Rules 3-10 and 3-16 of Regulation S-X (guarantors and collateral entities that pledge securities, respectively, of public debt), or may be included in an issuer's registration or proxy statement as target financial statements. To provide consistency between these "other" entities' financial statements and the financial statements of issuers included in SEC filings, we recommend refining certain wording in the proposed ASU and Topic 855 to indicate that an entity "whose financial statements are filed or furnished with the SEC" is subject to the same standard as entities that file or furnish financial statements with the SEC. We suggest that this revision be made in the following paragraphs:

855-10-25-1A. "An entity whose financial statements are filed or furnished with the SEC shall evaluate subsequent events through the date the financial statements are issued."

855-10-25-2. "Except as noted in the next sentence, an entity whose financial statements are not filed or furnished with the SEC shall evaluate subsequent events through the date that the financial statements are available to be issued."

855-10-50-1. "An entity whose financial statements are not filed or furnished with the SEC shall disclose both of the following: ..."

855-10-50-4. "An entity shall disclose the date through which subsequent events have been evaluated in both originally issued or available to be issued financial statements and restated financial statements, unless the entity's financial statements are filed or furnished with the SEC."

We appreciate the opportunity to comment on the proposed ASU and would welcome the opportunity to respond to any questions you may have regarding any of our comments and recommendations.

Sincerely,

A handwritten signature in black ink that reads "Cynthia M. Fornelli". The signature is written in a cursive style with a large initial 'C'.

Cynthia M. Fornelli
Executive Director
Center for Audit Quality

Robert H. Herz, Chairman, FASB
Jim Kroeker, Chief Accountant, SEC



CENTER FOR AUDIT QUALITY

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