June 30, 2015

Ms. Susan Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

RE: File Reference No. 2015-260

Dear Ms. Cosper:

PricewaterhouseCoopers LLP appreciates the opportunity to comment on the FASB's recent proposal, *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*. We commend the FASB for its efforts to simplify financial reporting while maintaining or enhancing decision-useful information for investors.

We support the proposal in the Exposure Draft (ED) for acquirers to recognize the cumulative effect of measurement period adjustments in the reporting period in which the adjustment is determined. We agree that the proposal would simplify financial reporting by eliminating the effort associated with restating prior period financial statements for measurement period adjustments, as currently required by ASC 805.

We believe that this simplification would not significantly reduce the usefulness of the information provided to investors after business combinations.

Currently, U.S. GAAP requires reporting entities to disclose the nature and amount of measurement period adjustments recognized during the reporting period. In the ED, the Board has proposed an incremental requirement to disclose the income effects that would have been recognized in previous reporting periods if the adjustments were made at the acquisition date. We believe this incremental disclosure requirement could limit the intended cost savings for preparers without significantly improving the usefulness of the information provided to investors. Accordingly, we believe the Board should consider removing the proposed incremental disclosure requirement.

PwC supports the Board's ongoing simplification initiative. We believe that the Board should continue to focus on areas where there is an opportunity to a) have a broad impact, b) remove exceptions and mechanical rules that lead to complexity, and c) converge U.S. GAAP with international standards.

Our detailed responses to the questions in the ED are contained in the appendix to this letter. If you have any questions regarding our comments, please contact Patrick Durbin at (973) 236-5152 or Larry Dodyk at (973) 236-7213.

Very truly yours,

PricewaterhouseCoopers LLP

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Appendix

Question 1 – *Should adjustments to provisional amounts and the corresponding adjustment to goodwill that are identified during the measurement period be recognized in the reporting period in which the adjustment amount is determined? Why or why not?*

Yes. We agree with the proposal for an acquirer to recognize the cumulative effect of measurement period adjustments in the reporting period in which the adjustment amount is determined. We believe that the proposal would reduce the costs and complexities associated with accounting for measurement period adjustments without significantly reducing the usefulness of the information provided to investors.

Question 2 – *If adjustments to provisional amounts as of the acquisition date would have affected earnings in periods subsequent to the initial accounting for the business combination, should the effect on earnings, in periods prior to the adjustment period, of changes in depreciation, amortization, or other income effects be recognized in the income statement in the reporting period in which the adjustment to the provisional amount is determined? Why or why not?*

Yes. However, as indicated in our cover letter, we recommend that the Board consider removing the proposed incremental disclosure requirement in paragraph 805-10-50-6(c) because it could limit the intended costs savings without significantly improving the usefulness of the information provided to investors.

We agree that the elimination of the requirement to restate previous period financial statements would reduce costs and complexity. However the proposed incremental disclosures would require reporting entities to determine the direct effects (e.g., amortization expense) as well as the indirect effects (e.g., deferred taxes) of measurement period adjustments for each reporting period after a business combination. This could limit the intended cost savings by effectively requiring the preparation of the same information that is required for restatements under today's guidance.

We believe that the existing disclosure requirements in U.S. GAAP about the nature and amount of the measurement period adjustments recognized in the reporting period (which under the proposal would represent the cumulative amount recognized), combined with the other disclosure requirements of Topic 805 and Topic 820, provide sufficient transparency regarding management's provisional estimates and subsequent changes to those estimates.

Question 3 – *Should the proposed guidance be applied prospectively to adjustments made to provisional amounts that are identified after the effective date and that are within the measurement period? Why or why not?*

Yes. We agree with the prospective application of the proposed guidance to measurement period adjustments that are identified after the effective date and that are within the measurement period.

Question 4 – *How much time will be necessary to adopt the amendments in this proposed Update? Should early adoption be permitted? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?*

We believe that the proposed guidance will require limited time to adopt and therefore we support an effective date as early as January 1, 2016 for calendar year-end public and nonpublic reporting entities, with early adoption permitted.