

Via E-Mail (director@fasb.org)
March 11, 2022

Richard R. Jones
Chair
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116
File Reference No. 2021-004

Dear Chair Jones and Members of the Board:

CFA Institute¹, in consultation with its Corporate Disclosure Policy Council (“CDPC”)², appreciates the opportunity to comment and provide our perspectives on the Financial Accounting Standards Board (“FASB” or “Board”) Proposed Accounting Standards Update, [*Interim Reporting \(Topic 270\): Disclosure Framework – Changes to Interim Disclosure Requirements*](#) (“Proposed Update”).

CFA Institute has a long history of promoting fair and transparent global capital markets and advocating for strong investor protections. We are providing comments consistent with our objective of promoting fair and transparent global capital markets and advocating for investor protections. An integral part of our efforts toward meeting those goals is ensuring that corporate financial reporting and disclosures and the related audits provided to investors and other end users are of high quality. Our advocacy position is informed by our global membership who invest both locally and globally.

OVERARCHING COMMENTS

Summary Thoughts

Our overarching comment on the Proposed Update is that it was very difficult to assess the effects of the changes. As investors, our principal concern is what will be the impact of the changes on the information provided to us for investment decision-making. We found it a challenge to understand precisely what was changing in the Codification due to the construction

¹ With offices in Charlottesville, New York, Washington, DC, Brussels, Hong Kong, Mumbai, Beijing, Shanghai, Abu Dhabi and London, CFA Institute is a global, not-for-profit professional association of more than 181,000 members, as well as 160 member societies around the world. Members include investment analysts, advisers, portfolio managers, and other investment professionals. CFA Institute administers the Chartered Financial Analyst® (CFA®) Program.

² The objective of the CDPC is to foster the integrity of financial markets through its efforts to address issues affecting the quality of financial reporting and disclosure worldwide. The CDPC is comprised of investment professionals with extensive expertise and experience in the global capital markets, some of whom are also CFA Institute member volunteers. In this capacity, the CDPC provides the practitioners’ perspective in the promotion of high-quality financial reporting and disclosures that meet the needs of investors.

of the premises and presentation; why the revision was needed; and most importantly, what were the exact outcomes of the proposed change – not only in the language but the effects of the change in language. Our study of the Proposed Update led us to make the Recommendations for Future Updates in the section which follow, in that we believe stakeholders time should be spent in understanding the effects – not the changes made.

That said, after completing the analysis described below and presented in **Appendix A**, we noted that several key changes were not presented as questions to stakeholders for consultation or comment. These changes relate to: a) the ability to exercise discretion and materiality determinations, and b) the degree to which investors are to have presumed to have read and relied on prior year financial statements – in an era where technology and information ecosystem should facilitate more real-time interim disclosures than ever before. Both are items we have expressed concern about in previous commentary to the FASB. We believe these matters are likely to have a significant impact on the information provided to investors. We noted that only one other respondent discussed the notion of discretion and no other respondents the contemporaneous nature of investment decision-making and the impacts technology should have on the delivery of timely, updated information to investors on an interim basis.

As we step back from the changes in the Proposed Update, we believe the FASB should provide an analysis of the net effects of these proposals on the information investors will receive on an interim basis. Said differently, has the criteria for change – that there will be improvements in financial reporting – been demonstrated and met?

Recommendations for Future Updates

As we reviewed the Proposed Update, we found several challenges that should be considered in publishing future Proposed Updates, because they impact the understandability of the changes and their effects and, hence, the respond-ability by stakeholders to the Proposed Update.

- 1) ***Connecting the Basis for Change, to the Description of Changes Made, to the Actual Changes in the Codification, and the Consultation Questions is Challenging*** –
 - a. The Proposed Update provides, on Page 1, four reasons for the consultation and the related changes being proposed.
 - b. The changes made as described on Pages 2-3 of the Proposed Update – other than the change in the SEC’s rule – are not specifically connected to the basis for why the changes are being made as described on Page 1.
 - c. It is challenging to link the changes being made as described on Pages 2-3 of the Proposed Update with the actual changes denoted throughout the document on Pages 9-33 (i.e., those from 34 to 100 are principally related to the change in reference to periods presented).
 - d. Each of the changes described on Pages 2-3 of the Proposed Update do not correlate with a specific question for comment set forth on Page 4. While some questions refer to paragraphs in the Proposed Update, they do not link back to the description of changes. Questions have not been asked that relate to changes investors perceive as important. For example, a question was not included regarding the change to increase the use of discretion; even more importantly, there was no reference to the paragraphs within the Proposed Update where the FASB perceives they have added discretion.

As a result, it is challenging to discern whether the actual changes, the basis for the change and whether they will enhance financial reporting. Overall, it is burdensome to follow the reasons for the change all the way through to the changes that preparers, auditors and investors will experience. It is also challenging to assess the effects of the change for investors. For that reason, we have undertaken in the table which follows in **Appendix A** to make that connection such that we can assess the impact and basis for the changes made.

- 2) ***Marked and Clean Versions*** – It is also difficult to grasp the extent and nature of the changes made and their effects without a clean final version of the proposed changes. While a marked version is always helpful, it would also be helpful to provide a clean version with the proposed changes. Please include in future exposure drafts a clean version of the new language resulting from additions and deletions to the Codification. It would greatly increase the efficiency and effectiveness of respondents in understanding the changes resulting from the proposal.

CHANGES NOT ADDRESSED BY SPECIFIC QUESTIONS

From our analysis described above and presented in **Appendix A**, we note two key changes – described in the Proposed Update on Pages 2 and 3 – that are not directly subject to consultation questions in the Proposed Update. They are noted in **Appendix A**, and are described below:

- 1) ***Eliminate “At A Minimum”, Add Discretion, and Clarify Assessing Materiality is Appropriate*** – The Proposed Update notes it will eliminate the phrase “at minimum”, add discretion when making interim disclosures, and clarify that assessing materiality is appropriate. The Proposed Update notes:

In addition, the amendments in this proposed Update would eliminate the phrase *at minimum* and add language to Topic 270 to promote entities exercising discretion when considering interim reporting disclosures and to clarify that assessing materiality is appropriate for entities when evaluating disclosure requirements.

There is, however, no specific articulation by the FASB in the Proposed Update of where these changes have been accomplished and there is no question to respondents on whether they agree with this change and the level of discretion. In our view, the FASB needs to explain to stakeholders where and how they believe they have made this change and the effect on investors of such a change. This is not something investors or any other respondents to the Proposed Update should have to discern. We believe this is an important subtle, but important, effect of the changes and something every respondent should be required to comment on and that investors should be able to see more vividly.

In our 2016 comment letters³ to the FASB, we expressed concerns regarding the addition of discretion and the manner in which materiality is described in the Codification. We found it difficult to discern whether the investor concerns we expressed in those letters have been considered in this Proposed Update and whether the degree of discretion or the application of

³ a) [Notes to Financial Statements \(Topic 235\) – Assessing Whether Disclosures Are Material](#)
b) [Conceptual Framework for Financial Reporting – Chapter 3: Qualitative Characteristics of Useful Financial Information](#)

materiality will have impacts that reduce the quantity and quality of information for investors. We believe the FASB must more precisely explain whether the changes made above have been incorporated into the Proposed Update and the expected effects investors will likely experience as a result of the changes.

We would note that the only Big 4 firm that addresses the concept of discretion is [KPMG and they note the notion of discretion seems unevenly articulated in the provisions of the Proposed Update](#). We do not find that other organizations, including preparers have addressed the notion of discretion. This is likely due to the failure to include a question on this important topic. We believe more needs to be done to address the effects of this change to all stakeholders to the standard-setting process.

- 2) ***Presumption of Review of Prior Annual Financial Statements*** – The other amendment in the Proposed Update that does not come with a consultation question is related to the reference, and presumption, that a reader of interim financial statements should refer to and have read the prior annual financial statements and notes. The Proposed Update states:

The amendments in this proposed Update would require that an entity refer a reader of interim financial statements and notes to the previous annual financial statements when providing condensed financial statements or limited notes. The proposed amendments also would require, if applicable, that the reporting entity explain that the interim results may not be indicative of the annual results or that adjustments have been made to the period to provide a more relevant depiction of the entity's results.

In our 2014 comment letter, [Proposed Statement of Financial Accounting Concepts, Chapter 8: Notes to Financial Statements \(File Reference No. 2014-200\)](#) we highlighted the impact of technology and the notion that investment decisions are made all throughout the year.

Apply Equally to Interim Financial Statements

We agree that the notes to the interim-period financial statements should describe differences from the most recent annual financial statements in recognition, measurement and presentation of line items and should explain how the financial position and results of operations for the interim period relate to the entire year. All significant changes should be explained in the notes with the appropriate degree of disaggregation for the information to be useful to investors. While we agree with the majority of the Board's perspectives articulated in Paragraphs D60 to D71, we think it is important for the Board to articulate that investment decisions are made all throughout the year and that in the current environment where technology has changed the flow of information that investors have a desire for more current information in interim periods than may have been the expectation or perception of preparers in the past. Further, this very timely flow of information and investment decision-making may make highly aggregated information (as noted in Paragraph D71) less appropriate for interim periods. We would propose a disaggregation principle that suggests that the disaggregation should be similar in interim as in annual periods if the information to be provided by such disaggregation would change an investors' perception or understanding of the results.

While we understand the reference to the prior annual financial statements, we are concerned that this provision and other elements of the changes in the Proposed Update may fortify a preparer mindset that interim financial statements should be highly aggregated with limited disclosures, and that events must be so material that the interim financial statements are not as decision-useful as they need to be during the year.

In an era of enhanced technology, increased information dissemination, and rapid investment decision-making, we worry that the FASB is promoting a mindset that is “old school” and will reduce the contemporaneous updating of financial results that seems more “fit-for-purpose” in this information age.

SPECIFIC QUESTION RESPONSES

Question 1: Would the amendments in this proposed Update that introduce a principle similar to the language removed from Regulation S-X, Rule 10-01 (see paragraph 270-10-50-9) result in less, more, or the same degree of decision-useful information for interim reporting? Please explain why or why not.

We believe the change could lead to less information. We are troubled by the proposal’s efforts to remove “information that would be duplicative of year-end disclosures,” as underlined in the excerpt below. While we understand that the language is consistent in spirit with what has been in Regulation S-X, Rule 10-01 for years, it lacks a degree of specificity that we find necessary to ensure that adequate disclosures are consistently updated and reported among publicly-traded companies. We reproduce here Paragraph 270-10-55-2, with our emphasis added:

“The presumption that users of interim financial statements and notes as referenced in paragraph 270-10-45-20(b) or (c) will have read the prior annual financial statements and notes should lead entities to not disclose information that would be duplicative of year-end disclosures, even if those requirements are part of the standard disclosure requirements of this Topic. That may result in a subset of or no disclosures being made for certain items.”

Given that the proposal will encourage companies to avoid duplicative disclosures, we are concerned that firms may take liberties to remove interim disclosures they believe might be too similar to year-end disclosures. Compare the language above to the language in Rule 10-01(5)(a) before the SEC’s Disclosure Update and Simplification proposal became effective:

“...Accordingly, *footnote disclosure which would substantially duplicate the disclosure contained in the most recent annual report to security holders or latest audited financial statements, such as a statement of significant accounting policies and practices, details of accounts which have not changed significantly in amount or composition since the end of the most recently completed fiscal year, and detailed disclosures prescribed by Rule 4-08 of this Regulation, may be omitted.* However, disclosure shall be provided where events subsequent to the end of the most recent fiscal year have occurred which have a material impact on the registrant. Disclosures should encompass for example, significant changes since the end of the most recently completed fiscal year in such items as: accounting principles and practices; estimates inherent in the preparation of financial statements; status of long-term contracts; capitalization including significant new borrowings or modification of existing financing arrangements; and the reporting entity resulting from business combinations or dispositions. Notwithstanding the above, where material contingencies exist, disclosure of such matters shall be provided even though a significant change since year end may not have occurred...”

The message is the same: duplicative disclosures are not required to be presented. However, in our view, the old Regulation S-X language makes clearer what the disclosures should encompass unless they are not material. In addition, it specifically, for example, requires material contingencies to be disclosed without regard to consideration of prior annual financial statements.

We find the prior language and scope to be more reassuring that useful disclosures will continue to appear in interim financial statements. Our concern is that the exact nature of duplicative disclosures is unaddressed in the proposal and thus remains open to wider interpretation than ever by preparers. We are concerned that some preparers may deem changes in the amounts of reported notes to be immaterial, or consider them duplicative of information content, and thus not present them.

Given that we have never encountered an investor concerned by a surplus of interim information, we do not support a proposal that gives preparers wider discretion over how much interim information to disclose. Bottom line, we prefer the language the SEC removed with its “*Disclosure Update and Simplification*” and would support embedding it in the Codification.

Question 2: Upon a significant event or transaction occurring since the date of the prior annual financial statements and notes, should an entity provide all the disclosures required by the applicable Topic or only information specific to the event or transaction as described in paragraph 270-10-55-1? Please explain your position.

We do not believe a complete reissuance of a related footnote is necessary in the event of a significant transaction or event, but we would want all of the relevant information related to the transaction or event. While we clearly understand the example presented in paragraph 270-10-55-1, we are not confident that, behind the example, there is a clear principle espoused which will be consistently applied in practice with robust results. We do not believe the entire footnote needs to be repeated, but we believe there should be sufficient information included at interim to not only understand the event but also the context and magnitude of the change.

Question 3: Is the proposed disclosure guidance on significant events or transactions operable? If not, which aspects pose operability issues and why?

See our response to Question #1.

Question 4: Are the proposed amendments that would clarify that an entity’s assessment of whether to provide a disclosure at an interim period may incorporate the information provided in the prior annual financial statements and notes appropriate? Please explain why or why not. Would those proposed amendments result in a change in practice?

As in our response to Question #1, we are concerned that this may result in less information being produced. Preparers may refer to prior annual financial statements and notes on the grounds that the interim information is not materially different. Yet views on what constitutes “materially different” information between annual and interim financial statements can differ radically between management and investors. We prefer to see the proposed standard require the minimum disclosures that the Codification topics already require, and recommend that the proposal does not remove the “at minimum” phrase from the accounting literature that it cites.

Question 5: Is the proposed amendment describing interim financial statements and notes in accordance with GAAP (see paragraphs 270-10-45-20 through 45-21) appropriate? Does it capture the form and content of interim financial statements and notes currently being provided in accordance with GAAP?

We believe the proposed amendment describing interim financial statements and notes in accordance with GAAP (paragraph 270-10-45-20) is appropriate. We have difficulty with the captioning guidance contained in 270-10-45-21(b), however.

Income Statement Captions – We believe the guidance on the nature of financial statement captions could be effective in producing adequate income statement granularity, but we note that the guidance on averaging net income is deficient. From the paragraph: “In calculating average net income, loss years should be excluded. If losses were incurred in each of the most recent three years, the average loss shall be used for purposes of this test.” If one of the three years contains a net loss, should another year of income be added to reach three years of average income, or should it be based on a two-year average? What if there are two years of losses out of three years – should the test be based only on one year, or should two older years be substituted? The proposal is silent on these questions.

Statement of Cash Flows – Furthermore, we do not support the proposal’s amendments to the cash flow statement. Investors, including CFA Institute, have been requesting expanded information about cash flows for years. We find the proposed change in 270-10-45-21(c) to be antithetical to the needs and desires of investors, because it “[t]he statement of cash flows may be abbreviated starting *with a single figure of net cash flows from operating activities...*”

The paragraph requires preparers to show “cash changes from investing and financing activities individually only when they exceed 10 percent of the average of net cash flows from operating activities for the most recent 3 years.” We do not see a rationale for relating the cash changes individually from investing and financing activities to the average of net cash flows from operating activities, as they are all driven by different factors. Operations drive cash from operations, obviously, but do not directly impact financing activities. Those could be far more directly related to market factors and the availability of financing. Similarly, operations do not directly impact investing activities. We encourage the Board to consider other thresholds that might improve granularity of captioning in interim cash flow statements.

If the Board does not explore alternative thresholds, we have other reservations about the 10 percent threshold. We are uncertain of whether the criteria will be consistently applied in practice. Is the 10 percent threshold to be applied to the average of net cash flows from operating activities for the most recent 3 full fiscal years, or is it to be applied to 36 months of trailing net cash flows from operating activities? Practice may vary.

Question 6: Is the list of interim disclosure requirements and/or references to interim disclosure requirements in Section 270-10-50 complete?

We believe the list is complete; however, as we note above it is challenging to assess without a clean version, the net effect of all the changes. Further, as we discuss in our response to Question #4, we reject the concept of discarding minimum required disclosures in favor of management discretion over interim disclosures.

Question 7: Would the proposed amendments that (a) remove phrases such as for each period presented and (b) now state that those disclosures should be comparative when comparative financial statements are presented clarify that the disclosures should be comparative in nature? Would the proposed amendments result in a change in practice? If yes, please explain how. Should any of the paragraphs that were clarified as comparative also be required at interim periods?

We see no problems with the existing language “for each period presented”. We have read the discussion in paragraphs BC 26-28 regarding why a change was perceived as being needed. We don’t believe the problem is the requirement that disclosures be provided “for each period presented” but with the view that the disclosures are perceived as being applicable to both annual and interim disclosures. Adding “comparatively when comparative statements are presented” does not change the interpretation that the disclosures could be applicable to interim periods, if they are presented. Generally, interim periods are presented comparatively. The interpretative issue is really around whether the disclosures are applicable to annual and interim periods. Paragraph 270-10-50-8 which states that this section includes a complete list of interim disclosure requirement rectifies this perceived interpretative problem. Including the statement that Topic 270 is a complete list of interim disclosure requirement obviates the need for this change.

Question 8: Should the proposed disclosures be required to be implemented retrospectively or prospectively? Please explain why.

The method of implementation is not a priority given our views on several of the topics above. That said, if implemented, retrospective application is always preferred.

Question 9: How much time would be needed to implement the proposed amendments? Should those proposed amendments on clarifying comparative disclosure have the same effective date as the other proposed amendments or be effective upon issuance? Should early adoption be permitted? Please explain why or why not.

We have no input to provide on the time needed to implement the proposed amendments. As for the effective dates of the proposed amendments, we believe that all of the amendments should be implemented at the same time to minimize the time for investors to become acclimated to the changes. Finally, we would oppose early adoption. We do not see overall benefits to investors accruing from this proposal, so we would not welcome it any sooner than it becomes effective.

Thank you for your consideration of our views and perspectives. We would welcome the opportunity to meet with you to provide more detail on our letter. If you have any questions or seek further elaboration of our views, please contact me at sandra.peters@cfainstitute.org.

Sincerely,

/s/ Sandra J. Peters

Sandra J. Peters, CPA, CFA
Senior Head, Global Financial Reporting Policy Advocacy
CFA Institute

CC:
Paul Munter, Acting Chief Accountant, U.S. Securities & Exchange Commission

APPENDIX A

ANALYSIS OF PROPOSED UPDATE CHANGES, THEIR LOCATION AND THE RELATED QUESTIONS FOR COMMENT

As we note in the body of the letter, there are several reasons – articulated on Page 1 of the Proposed Update – for the changes (“the why”) set forth in the Proposed Update. We summarize those below so as to connect them – in the chart which follows – to the described changes (“the what”) on Pages 2-3 of the Proposed Update, the consultation questions on Page 4 and the location of the changes in the Proposed Update. As there is not a one-to-one connection between the “why” and the “what” of the change, we highlight the basis for change (the “why”) in the far left column of the table which follows.

Disclosure Framework Project & Concept Statement #8 (Reason #1)

The Board is issuing the amendments in this proposed Update as part of the disclosure framework project. The disclosure framework project’s objective is to improve the effectiveness of disclosures in notes to financial statements by facilitating clear communication of the information required by generally accepted accounting principles (GAAP) that is most important to users of financial statements. Achieving the objective of improving the effectiveness of the notes to financial statements includes:

1. Developing a framework that promotes consistent Board decisions about disclosure requirements
2. Reporting entities appropriately exercising discretion in what information is included in the notes.

The Board issued FASB Concepts Statement No. 8, *Conceptual Framework for Financial Reporting*—Chapter 8, *Notes to Financial Statements*, on August 28, 2018. Chapter 8 of Concepts Statement 8 identifies a broad range of possible information for the Board to consider when deciding on the disclosure requirements for a particular Topic. From that broad set, the Board generally will identify a narrower set of required disclosures about that Topic that meets a cost-benefit evaluation and other considerations. The amendments in this proposed Update are the result of the Board’s consideration of the concepts in Chapter 8 as they relate to interim disclosures

Change to SEC Rules (Reason #2)

Additionally, on August 17, 2018, the U.S. Securities and Exchange Commission (SEC) issued SEC Release No. 33-10532, *Disclosure Update and Simplification*, which became effective November 5, 2018.

The SEC issued the release to remove duplicative disclosure requirements with GAAP, eliminate redundant information in financial statements, and enable investors to make efficient investment decisions.

As part of the release, the SEC removed language from Regulation S-X, Rule 10-01, *Interim Financial Statements*, which required disclosure on events that have occurred after the end of the most recent fiscal year that have a material effect on the registrant.

In addition to its consideration of Chapter 8 of Concepts Statement 8, the Board considered the effect of removal of that language on existing interim disclosures. The amendments in this proposed Update also reflect those considerations.

Non-Public Entity Reporting (Reason #3)

The Board also is making certain amendments in response to nonpublic entity stakeholder feedback to clarify the applicability of interim reporting requirements to nonpublic entities.

Consolidate Interim Reporting Topics Into One Topic (Reason #4)

Finally, the Board is making certain amendments in this proposed Update in response to stakeholders’ desire for interim reporting requirements to be clarified and consolidated into one Topic of the Codification.

Why is FASB Issuing? (Page 1)	What are the Main Provisions? (Page 2-3)	Questions (Page 4)	Location of Change
<p>Reason #2</p>	<p>Disclosure Principle</p> <p>The amendments in this proposed Update would introduce a principle to Topic 270 that is based on the removed portion of Regulation S-X, Rule 10-01. That principle requires disclosures for a significant event or transaction that has a material effect on an entity and results in disclosures that are transaction or event specific.</p>	<p>Question 1: Would the amendments in this proposed Update that introduce a principle similar to the language removed from Regulation S-X, Rule 10-01 (see paragraph 270-10-50-9) result in less, more, or the same degree of decision-useful information for interim reporting? Please explain why or why not.</p> <p>Question 2: Upon a significant event or transaction occurring since the date of the prior annual financial statements and notes, should an entity provide all the disclosures required by the applicable Topic or only information specific to the event or transaction as described in paragraph 270-10-55-1? Please explain your position.</p> <p>Question 3: Is the proposed disclosure guidance on significant events or transactions operable? If not, which aspects pose operability issues and why?</p>	<p>270-10-50-9</p> <p>270-10-55-1</p>

Why is FASB Issuing? (Page 1)	What are the Main Provisions? (Page 2-3)	Questions (Page 4)	Location of Change
Reason #1, #3 & #4	<p>Disclosure Principle</p> <p>In addition, the amendments in this proposed Update would eliminate the phrase <i>at minimum</i> and add language to Topic 270 to promote entities exercising discretion when considering interim reporting disclosures and to clarify that assessing materiality is appropriate for entities when evaluating disclosure requirements.</p> <p>That language also would clarify that assessing which disclosures to provide at interim periods involves considering information provided at the previous annual period.</p>	<p>NO QUESTION ON CHANGE</p> <p>Question 4: Are the proposed amendments that would clarify that an entity’s assessment of whether to provide a disclosure at an interim period may incorporate the information provided in the prior annual financial statements and notes appropriate? Please explain why or why not. Would those proposed amendments result in a change in practice?</p>	<p>270-10-50-9, 10 & 11</p> <p>270-10-50-10 270-10-55-2</p>
Reason #1, #3 & #4	<p>Clarifying Presentation and Disclosure Alternatives in Interim Reporting</p> <p>The amendments in this proposed Update would clarify that interim reporting can take the following three forms:</p> <ol style="list-style-type: none"> 1. Financial statements prepared with the same level of detail as the previous annual statements subject to all the presentation requirements in GAAP and notes subject to all disclosure requirements in GAAP 2. Financial statements prepared with the same level of detail as the previous annual statements subject to all the presentation requirements in GAAP and limited notes subject to the disclosure requirements in Topic 270 <p>Condensed financial statements and limited notes subject to the disclosure requirements in Topic 270</p>	<p>Question 5: Is the proposed amendment describing interim financial statements and notes in accordance with GAAP (see paragraphs 270-10-45-20 through 45-21) appropriate? Does it capture the form and content of interim financial statements and notes currently being provided in accordance with GAAP?</p>	<p>270-10-45-20 & 21</p>

Why is FASB Issuing? (Page 1)	What are the Main Provisions? (Page 2-3)	Questions (Page 4)	Location of Change
Reason #1, #3 & #4	<p>Other Topic 270 Amendments</p> <p>The amendments in this proposed Update would require that an entity refer a reader of interim financial statements and notes to the previous annual financial statements when providing condensed financial statements or limited notes. The proposed amendments also would require, if applicable, that the reporting entity explain that the interim results may not be indicative of the annual results or that adjustments have been made to the period to provide a more relevant depiction of the entity's results.</p> <p>The amendments in this proposed Update would state that Topic 270 contains all interim reporting requirements and/or references to interim reporting requirements detailed in other Topics.</p>	<p>NO QUESTION ON CHANGE</p> <p>Question 6: Is the list of interim disclosure requirements and/or references to interim disclosure requirements in Section 270-10-50 complete?</p>	<p>270-10-50-10 270-10-55-2</p> <p>270-10-50-8 (270-10-50-1 to 7 & 270-10-50-12 to 22)</p>
Reason #1, #3 & #4	<p>Clarifying Requirements to Provide Comparative Disclosures</p> <p>The amendments in this proposed Update would clarify when comparative disclosures are required. The proposed amendments would remove phrases such as <i>for each period presented</i> and instead refer to making comparative disclosures when comparative statements are presented.</p>	<p>Question 7: Would the proposed amendments that (a) remove phrases such as <i>for each period presented</i> and (b) now state that those disclosures should be <i>comparative when comparative financial statements are presented</i> clarify that the disclosures should be comparative in nature? Would the proposed amendments result in a change in practice? If yes, please explain how. Should any of the paragraphs that were clarified as comparative also be required at interim periods?</p>	<p>Various Places on Pages 34-100</p>

Why is FASB Issuing? (Page 1)	What are the Main Provisions? (Page 2-3)	Questions (Page 4)	Location of Change
<p>Not applicable.</p>	<p>When Would the Amendments Be Effective? The amendments in this proposed Update would be applied prospectively. The Board will determine the effective date and whether early adoption should be permitted after it considers stakeholders' feedback on the amendments in this proposed Update.</p>	<p>Question 8: Should the proposed disclosures be required to be implemented retrospectively or prospectively? Please explain why. Question 9: How much time would be needed to implement the proposed amendments? Should those proposed amendments on clarifying comparative disclosure have the same effective date as the other proposed amendments or be effective upon issuance? Should early adoption be permitted? Please explain why or why not.</p>	<p>Not included in draft.</p>