

April 15, 2019

[Director@fasb.org](mailto:Director@fasb.org)

File Reference No. 2019-400

Technical Director  
FASB  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update: Compensation – Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606).

Dear FASB:

The views expressed herein are written on behalf of the Professional Standards Committee (the PSC) of the Texas Society of CPAs. The Professional Standards Committee has been authorized by the Texas Society of CPAs' Board of Directors to submit comments on matters of interest to the membership. The views expressed in this document have not been approved by the Texas Society of CPAs' Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs. Please find our responses below to the questions included in the above-referenced exposure draft.

**Question #1:** Do you agree that share-based payment awards issued to customers as consideration payable should be measured at the grant date of the award? If not, why should there be a difference in the measurement date for share-based awards to customers and non-employee shared-based payment awards, and what other alternatives would be more appropriate?

**Response:** The consensus of the committee is that dates should be the same – the grant date of the award to be consistent with Topic 718 to decrease diversity in practice. However, a grant date may be difficult to determine in a scenario with multiple purchase orders or service orders performed at different times from the same customer. Clarification on the definition of “grant date” would be helpful.

**Question #2:** Do you agree that share-based payment awards issued to customers as considerable payable should be classified in accordance with the guidance in Topic 718?

**Response:** The consensus of the committee is that classification should be in accordance with the guidance in Topic 718.

Question #3: Do you agree that the amendments in this proposed Update provide sufficient guidance to account for share-based consideration to a customer?

Response: An example of share-based compensation paid to a customer would be helpful to clarify when this type of transaction occurs. The example how cash received is allocated between goods and services delivered and the share-based compensation. The example could also cover how cash received from an initial two orders would be recorded when shares are awarded only upon third purchase from a vendor.

Question #4: Are the transition requirements for the proposed amendments appropriate? If not, what transition approach would be more appropriate and why?

Response: It is the consensus of the committee that the transition requirements are appropriate.

Question #5: How much time would be necessary to adopt the proposed amendments? Should early adoption be allowed?

Response: Adoption of this standard should occur when 2018-07 is adopted, as stated in the exposure draft. Early adoption should be permitted to allow entities to align accounting policies with the proposed standard as quickly as possible.

We appreciate the opportunity to provide input into the standards-setting process.  
Sincerely,



Ken Sibley, CPA  
Chair, Professional Standards Committee  
Texas Society of Certified Public Accountants