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March 31, 2025

Mr. Jackson M. Day  
Technical Director  
Financial Accounting Standards Board  
801 Main Avenue  
PO Box 5116  
Norwalk, CT 06856-5116

**RE: Proposed Accounting Standards Update, Interim Reporting (Topic 270): Narrow-Scope Improvements (File Reference No. 2024-ED600)**

Dear Mr. Day:

We appreciate the opportunity to comment on the Proposed Accounting Standards Update, Interim Reporting (Topic 270): Narrow-Scope Improvements.

We support the objective to clarify the current interim reporting requirements by improving the navigability of the required interim disclosures and clarifying when that guidance is applicable. We believe the proposed amendments will generally reduce the time, effort and cost necessary for Codification users to apply the current requirements and will support more consistent interim reporting. We also support the codification of the disclosure principle previously included in Regulation S-X, Rule 210.10-01.

\* \* \* \* \*

The Appendix to this letter provides our responses to the Questions for Respondents.

If you have questions about our comments or wish to discuss the matters addressed in this letter, please contact Valerie Boissou at [vlesageboissou@kpmg.com](mailto:vlesageboissou@kpmg.com) or Kimber Bascom at [kbascom@kpmg.com](mailto:kbascom@kpmg.com).

Sincerely,

**KPMG LLP**

KPMG LLP

## Appendix – Responses to Questions for Respondents

### Question 1:

*Do the amendments in this proposed Update that would clarify that the guidance in Topic 270 applies to interim financial statements and notes in accordance with GAAP (see paragraphs 270-10-15-3 through 15-4) increase the understandability of Topic 270? Please explain why or why not.*

We agree that the proposed amendments to paragraphs 270-10-15-3 through 15-4 clarify the scope of Topic 270. We agree that removing the phrase ‘interim financial information’ and including the concept of full financial statements will reduce questions about whether Topic 270 should be applied to certain financial information.

### Question 2:

*Are the proposed amendments that describe the form and content of interim financial statements and notes in accordance with GAAP (see paragraphs 270-10-45-20 through 45-24) appropriate? Do they capture the form and content of interim financial statements and notes currently being provided in accordance with GAAP? Please explain why or why not.*

We agree that the proposed amendments to paragraphs 270-10-45-20 through 45-24 are appropriate and generally capture the form and content of interim financial statements and notes currently provided.

However, we observe that proposed paragraph 270-10-45-23 would preclude entities from providing condensed interim financial statements if the previous annual financial statements have not been issued (i.e. ‘widely distributed’, as defined in the Master Glossary). We believe it would be appropriate to permit condensed statements to be provided when the previous annual financial statements are made available to the users of the condensed statements, rather than requiring wide distribution. In addition, we believe it would be appropriate to permit condensed statements to be provided contemporaneously with the previous annual financial statements. Therefore, we suggest revising proposed paragraph 270-10-45-23 as follows (additions underlined, deletions struck through):

Condensed statements cannot be provided before the previous annual financial statements are made available to the financial statement users ~~can only be provided if the previous annual financial statements have been issued.~~

### Questions 3:

*Do you agree that including a list of interim disclosure requirements in Section 270-10-50 would improve the Codification? Please explain why or why not.*

We agree that including a list of interim disclosure requirements in Topic 270 would improve navigability of the Codification and promote consistent disclosure practices across interim financial statements of different entities.

### Question 4:

*Using the Board’s methodology (see paragraphs BC42–BC55), is the proposed list of interim disclosure requirements in Section 270-10-50 complete, or are there disclosures that should be included in or excluded from the list? If so, please provide the disclosures and your rationale, including supporting evidence that is consistent with the Board’s methodology.*

We believe that paragraph 205-10-50-2 should be excluded from the list of interim disclosure requirements. That paragraph states that, “Notes to financial statements, explanations, and accountants’ reports containing qualifications that appeared on the interim and annual financial statements for the preceding periods~~years~~ shall be repeated... to the extent that they continue to be of significance.”

However, when read in the context of interim reporting, this could be interpreted as requiring prior annual disclosures to be repeated in the interim statements. This interpretation conflicts with proposed paragraph 270-10-50-67, which states that "...footnote disclosure which would substantially duplicate the disclosure contained in the most recent annual report to security holders or latest annual financial statements...may be omitted." We believe that proposed paragraph 270-10-50-9 provides clear guidance about which disclosure information is required for comparative periods.

**Question 5:**

*Do you agree with the Board's methodology on how it compiled the disclosure list in Topic 270 (see paragraphs BC42–BC55)? Please explain why or why not. If not, please describe your preferred methodology. Please identify the differences between the list of interim disclosures derived using your preferred methodology and the list of disclosures in Section 270-10-50 and provide supporting evidence that is consistent with your preferred methodology.*

We agree with the Board's methodology to compile the disclosure list in Topic 270. This methodology is similar to the methodology we use to develop disclosure checklists. However, there are minor differences between the lists because we consider firm interpretations and best practices, and we do not have access to internal FASB documentation.

**Question 6:**

*The Board uses the term event-driven disclosures to describe disclosures required if an event or transaction occurs (see paragraph BC65). The Board decided that while certain event-driven disclosure requirements that meet the criteria in paragraph BC46 would be included in the interim disclosure list in the proposed amendments, others would be captured by the disclosure principle discussed in Question 7 (for example, if a new line of business was acquired with specific industry disclosure requirements, the acquirer would evaluate the disclosures under the disclosure principle rather than evaluating whether those industry requirements should be disclosed in accordance with the interim disclosure list in Topic 270). Do you agree with this approach to event-driven disclosures, or should other event-driven disclosures be included in the interim disclosure list? Please explain why or why not.*

We agree with the Board's approach to event-driven disclosures. Although some event-driven disclosures are already included in Topic 270 (such as Topic 805 for business combinations), we believe that adding more such disclosures would be redundant alongside the disclosure principle.

**Question 7:**

*Is the proposed disclosure principle operable (see paragraphs 270-10-50-67 through 50-70)? Please explain why or why not. If not, did you consider the prior SEC disclosure principle included in paragraph 270-10-50-68 to be operable (see paragraphs BC56–BC59)? Would the proposed disclosure principle provide decision-useful information? Does the operability of the disclosure principle vary between SEC registrants and nonregistrants? Please explain why or why not. Are there any reasons why the wording in paragraphs 270-10-50-67 through 50-70 should not be incorporated into GAAP? Please explain why or why not.*

We believe that the proposed disclosure principle is generally operable for all entities and is currently used by most SEC registrants. We agree that the proposed disclosure principle provides decision-useful information for financial statement users.

**Question 8:**

*The Board decided to remove the phrase interim financial information from certain paragraphs that address the scope of the guidance within Topic 270 in the proposed amendments. Additionally, proposed consequential amendments were made to other Topics in certain paragraphs to remove the phrase interim financial information and other similar phrases. Would these proposed changes result in any unexpected consequences within other areas in GAAP? Please explain why or why not.*

We are not aware of any unexpected consequences of removing the phrase 'interim financial information'. However, as discussed in our response to Question 9, we observe that there are instances of the phrase 'complete [sets of] interim financial statements' that the Board is not proposing to remove from the Codification.

**Question 9:**

*Do you agree with the proposed amendments in Sections B and C? If not, please explain which proposed amendment(s) you disagree with and why.*

We agree with the proposed amendments in Sections B and C. However, we observe that paragraph 275-10-15-3 continues to refer to 'complete interim financial statements' and a similar phrase is proposed for removal from paragraph 320-10-50-1A. In addition, we are aware of another instance of similar language in paragraph 944-505-50-2. The phrase 'complete [sets of] interim financial statements' is not defined in current GAAP or the proposed amendments.

We believe that all instances of this language should be removed because it is unclear which type of financial statements it is meant to designate (i.e. notes subject to applicable annual financial statement requirements or condensed statements). We believe that the phrase 'complete [sets of] interim financial statements' designate interim financial statements with notes subject to applicable annual financial statement requirements, and therefore the phrase is redundant. We recommend amending the paragraphs as follows (additions underlined, deletions struck through):

275-10-15-3 (as proposed) The guidance in the Risks and Uncertainties Topic applies to financial statements prepared in conformity with generally accepted accounting principles (GAAP) and applies to all entities that issue such statements. ~~While the~~The guidance in this Topic ~~applies to complete interim financial statements,~~ it does not apply to **condensed statements** prepared in accordance with Topic 270. If comparative financial statements are presented, the disclosure requirements apply only to the financial statements for the most recent fiscal period presented.

944-505-50-2 The disclosure requirements beginning in the following paragraph apply to annual ~~and complete sets of interim~~ financial statements prepared in conformity with generally accepted accounting principles (GAAP)...

**Question 10:**

*Do you agree that the proposed amendments should be applied prospectively to interim financial statements and notes in accordance with GAAP issued for reporting periods after the effective date? Please explain why or why not.*

We agree with prospective application of the amendments to reduce potential implementation costs. However, we suggest that retrospective application be permitted given its increase in comparability.

**Question 11:**

*How much time is needed to implement the proposed amendments? Should early adoption be permitted? Please explain why or why not.*

We believe preparers are best positioned to comment on the time needed to implement the proposed amendments. However, we believe early adoption should be permitted after the proposed amendments are issued in any period for which financial statements have not yet been issued or made available for issuance.