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May 5, 2020

Shayne Kuhaneck
Acting Technical Director
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Via Email to director@fasb.org

Re: File reference No. 2020-300

Dear Mr. Kuhaneck:

Grant Thornton LLP appreciates the opportunity to comment on proposed Accounting Standards Update (ASU), *Effective Dates for Certain Entities*.

We agree, in the current circumstances, with the proposed deferral of effective dates for certain entities to apply the leasing and revenue standards. As to revenue, we are very interested in the Board's planned exploration of a cost-effective solution to the recognition issue raised by a subset of the franchise industry.

Our responses to questions from the exposure draft are below.

Question 1: Should the effective date of Revenue for franchisors that are not public business entities be optionally deferred to annual reporting periods beginning after December 15, 2019, and interim reporting periods within annual reporting periods beginning after December 15, 2020? Please explain why or why not.

We understand the rationale for the proposal and therefore would support this relatively short delay of effective date for entities in scope.

Question 2: Is the scope of the Revenue deferral (franchisors that are not public business entities) clear? If not, please explain why.

We believe that the scope of the proposed deferral is clear, presuming that entities considering themselves eligible for the deferral have properly concluded they are in the scope of Topic 952 up to this point.

Question 3: Should Leases be effective for entities in the “all other” category (such as private companies and private NFP entities) for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022? Please explain why or why not.

We support the proposal for entities in scope to delay the effective date of Topic 842, for the reasons given in the proposal.

Question 4: Should Leases be effective for NFP entities that have issued or are conduit bond obligors for securities that are traded, listed, or quoted on an exchange or an over-the-counter market that have not yet issued financial statements for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years? Please explain why or why not.

We support the proposed deferral for NFP entities in this category and expect, however, that some will struggle to determine if the interim financial information they have issued is considered 'GAAP-compliant interim financial statements', as discussed in BC31 through BC36. Additional clarity on this issue might simplify entities' conclusions on whether they may apply the proposed relief. We recognize that the guidance on issuance of financial statements is not new, but this particular proposal likely would lead some entities to reconfirm their conclusions on interim financial statements.

We would be pleased to discuss our comments with you. If you have any questions, please contact Doug Reynolds, Managing Director (617-848-4877 or doug.reynolds@us.gt.com) or Carolyn Warger, Senior Manager (617-848-4838 or carolyn.warger@us.gt.com).

Sincerely,

/s/ Grant Thornton LLP